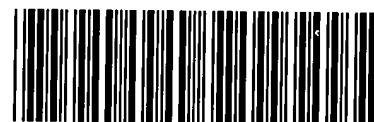


REGISTERED NUMBER: 03766047 (England and Wales)

RSR LTD
STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

**HODGE BAKSHI
CHARTERED ACCOUNTANTS &
STATUTORY AUDITORS
CHURCHGATE HOUSE
CHURCH ROAD
CARDIFF
CF14 2DX**

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FOR THE YEAR ENDED 30 SEPTEMBER 2016

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RSR LTD

COMPANY INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2016

DIRECTORS:

DR B REES-SMITH
Miss J BRADBURY
Dr S CHEN
Dr J FURMANIAK
Dr M POWELL
Dr J SANDERS

REGISTERED OFFICE:

7 Robin Lane
High Bentham
Lancaster
Lancashire
LA2 7AB

REGISTERED NUMBER:

03766047 (England and Wales)

AUDITORS:

HODGE BAKSHI
CHARTERED ACCOUNTANTS &
STATUTORY AUDITORS
CHURCHGATE HOUSE
CHURCH ROAD
CARDIFF
CF14 2DX

STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2016

The directors present their strategic report for the year ended 30 September 2016.

REVIEW OF BUSINESS

The principal activity of the group in the year under review was that of manufacturing and distributing medical diagnostic kits.

Details of the company's performance for the financial year are set out in detail on page 9. Its results and future prospects are considered to be satisfactory.

Financial performance in the year

The company recorded an increase in turnover by 38.44% which was in line with expectations from management.

The company achieved a gross profit margin of 72.75% (2015: 47.78%). This has been as a result of an increase in productivity and strong control on input costs. The Directors will continue to focus on improving margins and driving costs down in the company for the forthcoming year.

Financial position at the reporting date

The balance sheet on page 11 shows that the company's net assets have increased by £8.72m when compared to the prior year.

PRINCIPAL RISKS AND UNCERTAINTIES

The Management continually monitor the key risks facing the company together with assessing the controls used for managing these risks. The board of directors formally reviews and documents the principal risks facing the business at least annually.

The principal risks and uncertainties facing the company are as follows;

Economic downturn - the company acknowledges the importance of maintaining close relationships with its key customers in order to be able to identify the early signs of potential financial difficulties. Sales trends in its major markets are constantly reviewed to enable early action to be taken in the event of sales declining.

Competitive pressure - in the general economic environment is a continuing risk to the group as is the ability of suppliers to keep pace with the competition. The group manages this risk by providing fast response times in fulfilling sales orders and by maintaining strong relationships with key customers and suppliers throughout the world.

Reliance on key suppliers-the company's purchasing activities could expose it to over reliance on certain suppliers and inflationary pricing pressure. The company's manages this risk by ensuring there is enough breadth in its supplier base and by constantly seeking to find potential alternative suppliers that may be used, if necessary.

Loss of key personnel- this would present significant operational difficulties for the company. Management seek to ensure that key personnel are appropriately remunerated to ensure that good performance is recognised.

DISABLED EMPLOYEES

Applications for employment by disable persons are always fully considered, bearing in mind the aptitudes of the applicants concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should be identical to that of other employees.

RSR LTD (REGISTERED NUMBER: 03766047)

STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2016

EMPLOYEE CONSULTATION

The company is committed to employee involvement and encourages the development of co-operation with employees. To this end, the company's policy is to ensure that employees are kept informed on matters which affect them, through direct communication and established procedures for joint consultation.

The company has continued to examine ways and means of providing employment for disabled employees, under normal terms and conditions, with opportunities and established procedures for joint consultation.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'B Rees Smith', written in a cursive style.

DR B REES-SMITH - Director

22 June 2017

RSR LTD (REGISTERED NUMBER: 03766047)

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

The directors present their report with the financial statements of the company for the year ended 30 September 2016.

DIVIDENDS

The total distribution of dividends for the year ended 30 September 2016 will be £6,000,000.

RESEARCH AND DEVELOPMENT

The company will continue its policy of research and development in order to retain a competitive position in the market. All research and development expenditure is written off to the profit and loss account as it is incurred.

FUTURE DEVELOPMENTS

The directors consider that the forthcoming financial year will be another challenging one. Their aim is to continue to implement the management policies which have been introduced in recent years and has assisted in successfully overcoming the difficulties and uncertainties in the market place in the year. Overall, the directors believe that the company is well placed in terms of strategic and market position to maximise its ability to generate sales and satisfy customer demand, in spite of the difficult economic conditions currently facing the business.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

DR B REES-SMITH has held office during the whole of the period from 1 October 2015 to the date of this report.

Other changes in directors holding office are as follows:

G BECK - deceased 11 May 2016

Miss J BRADBURY - appointed 23 August 2016

Dr S CHEN - appointed 23 August 2016

Dr J FURMANIAK - appointed 23 August 2016

Dr M POWELL - appointed 23 August 2016

Dr J SANDERS - appointed 23 August 2016

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

FINANCIAL INSTRUMENTS

Treasury operations and financial instruments

The company operates a centralised treasury function which is responsible for managing the liquidity, interest and foreign currency risks associated with the company's activities. In addition the company has various other financial assets and liabilities such as trade receivables and trade payables arising directly from its operations.

Liquidity risk

The company manages its cash requirements centrally to maximise interest income and minimise interest expense, whilst ensuring that the company has sufficient liquid resources to meet the operating needs to its business.

Foreign exchange risk

The company's sources products from, and exports products to abroad, and is therefore subject to foreign exchange movements. This risk is managed by regular and consistent monitoring of interest rates.

Interest rate risk

The company operates an overdraft. As such, it is exposed to interest rate risks. This risk is managed by regular and consistent monitoring of interest rates.

Credit risk

Investments of cash surpluses are made through banks which must fulfil credit rating criteria approved by the board. All customers who wish to trade on credit terms are subject to credit verification procedures. Receivable balances are monitored on an on-going basis and provision is made for doubtful debts where necessary.

GOING CONCERN

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, therefore it continues to adopt the going concern basis for accounting in preparing the annual financial statements.

DIRECTORS INDEMNITY

The company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for directors and officers of the Company in respect of liabilities they may incur in the discharge of their duties or in the exercise of their powers, including any liabilities relating to the defence of any proceedings brought against them which relate to anything done or omitted, or alleged to have been done or omitted, by them as officers or employees of the company.

DISCLOSURE IN THE STRATEGIC REPORT

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the strategic report.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, HODGE BAKSHI, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



DR B REES-SMITH - Director

22 June 2017



CHARTERED ACCOUNTANTS
& CHARTERED TAX ADVISERS

**REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF
RSR LTD**

We have audited the financial statements of RSR Ltd for the year ended 30 September 2016 on pages nine to twenty seven. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 a Report of the Auditors 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.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page six, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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



Directors • Pankaj Bakshi FCA CTA • Khurshed Bamji BSc (Hons) AFC FCA (ICAI) FCCA
Churchgate House, 3 Church Road, Whitchurch, Cardiff CF14 2DX. Tel: 029 2052 9529 Fax: 029 2052 1666
e-mail: enquiries@hodgebakshi.com Web: www.hodgebakshi.com

Registered to carry on audit work in the UK and Ireland and regulated for a range of investment business by the Institute of Chartered Accountants in England and Wales.

Registered with The Chartered Institute of Taxation as a firm of Chartered Tax Advisers.

Hodge Bakshi is the trading name of Hodge Bakshi Limited Company number 07199071. Registered in Wales at the above address.



CHARTERED ACCOUNTANTS
& CHARTERED TAX ADVISERS

REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF
RSR LTD

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Pankaj Bakshi (Senior Statutory Auditor)
for and on behalf of HODGE BAKSHI
CHARTERED ACCOUNTANTS &
STATUTORY AUDITORS
CHURCHGATE HOUSE
CHURCH ROAD
CARDIFF
CF14 2DX

Date: 22nd June 2017



Directors • Pankaj Bakshi FCA CTA • Khurshed Bamji BSc (Hons) AFC FCA (ICAI) FCCA
Churchgate House, 3 Church Road, Whitchurch, Cardiff CF14 2DX. Tel: 029 2052 9529 Fax: 029 2052 1666
e-mail: enquiries@hodgebakshi.com Web: www.hodgebakshi.com

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RSR LTD (REGISTERED NUMBER: 03766047)

INCOME STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Notes	2016 £	2015 £
TURNOVER	3	19,562,345	14,130,356
Cost of sales		<u>5,328,726</u>	<u>7,378,432</u>
GROSS PROFIT		14,233,619	6,751,924
Administrative expenses		<u>2,235,837</u>	<u>2,261,698</u>
		11,997,782	4,490,226
Other operating income		<u>4,761,578</u>	<u>3,753,905</u>
OPERATING PROFIT	5	16,759,360	8,244,131
Interest receivable and similar income		<u>5,847</u>	<u>3,565</u>
PROFIT BEFORE TAXATION		16,765,207	8,247,696
Tax on profit	6	<u>2,049,367</u>	<u>926,223</u>
PROFIT FOR THE FINANCIAL YEAR		<u>14,715,840</u>	<u>7,321,473</u>

The notes form part of these financial statements

RSR LTD (REGISTERED NUMBER: 03766047)

OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Notes	2016 £	2015 £
PROFIT FOR THE YEAR		14,715,840	7,321,473
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>14,715,840</u>	<u>7,321,473</u>

The notes form part of these financial statements

RSR LTD (REGISTERED NUMBER: 03766047)**BALANCE SHEET**
30 SEPTEMBER 2016

	Notes	2016 £	£	2015 £	£
FIXED ASSETS					
Tangible assets	8		429,146		359,389
CURRENT ASSETS					
Stocks	9	954,717		552,249	
Debtors	10	7,757,215		4,215,026	
Cash at bank and in hand		11,505,587		5,785,538	
		<u>20,217,519</u>		<u>10,552,813</u>	
CREDITORS					
Amounts falling due within one year	11	2,021,184		447,271	
NET CURRENT ASSETS			<u>18,196,335</u>		<u>10,105,542</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>18,625,481</u>		<u>10,464,931</u>
CREDITORS					
Amounts falling due after more than one year	12		-		555,290
NET ASSETS			<u>18,625,481</u>		<u>9,909,641</u>
CAPITAL AND RESERVES					
Called up share capital	14		100		100
Retained earnings	15		18,625,381		9,909,541
SHAREHOLDERS' FUNDS			<u>18,625,481</u>		<u>9,909,641</u>

The financial statements were approved by the Board of Directors on 22 June 2017 and were signed on its behalf by:



DR B REES-SMITH - Director

The notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 October 2014	100	8,588,068	8,588,168
Changes in equity			
Dividends	-	(6,000,000)	(6,000,000)
Total comprehensive income	-	7,321,473	7,321,473
Balance at 30 September 2015	<u>100</u>	<u>9,909,541</u>	<u>9,909,641</u>
Changes in equity			
Dividends	-	(6,000,000)	(6,000,000)
Total comprehensive income	-	14,715,840	14,715,840
Balance at 30 September 2016	<u>100</u>	<u>18,625,381</u>	<u>18,625,481</u>

The notes form part of these financial statements

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Notes	2016 £	2015 £
Cash flows from operating activities			
Cash generated from operations	1	12,475,071	8,345,474
Tax paid		(479,486)	(892,633)
Net cash from operating activities		11,995,585	7,452,841
Cash flows from investing activities			
Purchase of tangible fixed assets		(281,383)	(311,774)
Interest received		5,847	3,565
Net cash from investing activities		(275,536)	(308,209)
Cash flows from financing activities			
Equity dividends paid		(6,000,000)	(6,000,000)
Net cash from financing activities		(6,000,000)	(6,000,000)
Increase in cash and cash equivalents		5,720,049	1,144,632
Cash and cash equivalents at beginning of year	2	5,785,538	5,023,271
Cash and cash equivalents at end of year	2	11,505,587	5,785,538

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2016

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2016	2015
	£	£
Profit before taxation	16,765,207	8,247,696
Depreciation charges	211,626	195,150
Finance income	(5,847)	(3,565)
	16,970,986	8,439,281
(Increase)/decrease in stocks	(402,468)	94,264
Increase in trade and other debtors	(3,542,189)	(152,048)
Decrease in trade and other creditors	(551,258)	(36,023)
Cash generated from operations	12,475,071	8,345,474

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30 September 2016

	30.9.16	1.10.15
	£	£
Cash and cash equivalents	11,505,587	5,785,538

Year ended 30 September 2015

	30.9.15	1.10.14
	£	£
Cash and cash equivalents	5,785,538	5,023,271

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

1. STATUTORY INFORMATION

RSR Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Significant judgements and estimates

In the application of the Company's accounting policies, which are described in note 2, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover is the amount derived from ordinary activities, and is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances, and is stated net of VAT.

Revenue from the sale of diagnostic kits as specified in the strategic report is recognised when all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
 - the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
 - the amount of revenue can be measured reliably;
 - it is probable that the economic benefits associated with the transaction will flow to the Company; and
 - the costs incurred or to be incurred in respect of the transaction can be measured reliably.
- Specifically, revenue from the sale of goods is recognised when goods are delivered and legal title is passed.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2016

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 25% on cost
Fixtures and fittings	- 25% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 33% on cost

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Costs, which comprise direct production costs and an appropriate allocation of production overheads, are based on the method most appropriate to the type of inventory class, but usually on a first-in-first-out basis. Net realisable value is based on the estimated selling price less any estimated completion or selling costs.

When stocks are sold, the carrying amount of those stocks is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of stocks to net realisable value and all losses of stocks are recognised as an expense in the period in which the write-down or loss occurs. The amount of any reversal of any write-down of stocks is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Operating leases

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 are recognised in profit or loss over the term of the lease as an integral part of the total lease expense.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2016

2. ACCOUNTING POLICIES - continued

Royalties

The company receives and pays royalties. These are accounted for in the year to which they relate.

Provisions

Provisions are recognised when the company has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefit will be required in settlement and the amount can be reliably estimated.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administration expenses.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the assets cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2016 £	2015 £
United Kingdom	724,982	563,939
Export	18,837,363	13,566,417
	<u>19,562,345</u>	<u>14,130,356</u>

4. EMPLOYEES AND DIRECTORS

	2016 £	2015 £
Wages and salaries	4,443,724	4,119,617
Social security costs	460,858	425,839
Other pension costs	239,210	236,956
	<u>5,143,792</u>	<u>4,782,412</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2016

4. EMPLOYEES AND DIRECTORS - continued

The average monthly number of employees during the year was as follows:

2016	2015
118	119
<u>118</u>	<u>119</u>

Directors' remuneration

Directors' pension contributions to money purchase schemes

2016	2015
£	£
111,820	88,149
4,169	-
<u>111,820</u>	<u>88,149</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes

2016	2015
6	1
<u>6</u>	<u>1</u>

5. OPERATING PROFIT

The operating profit is stated after charging:

Depreciation - owned assets

Auditors' remuneration

Rent

2016	2015
£	£
211,626	195,151
10,000	8,250
321,200	321,200
<u>321,200</u>	<u>321,200</u>

6. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

Current tax:

UK corporation tax

Tax on profit

2016	2015
£	£
2,049,367	926,223
<u>2,049,367</u>	<u>926,223</u>

UK corporation tax has been charged at 20% (2015 - 21%).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2016

6. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2016 £	2015 £
Profit before tax	16,765,207	8,247,696
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20.500%)	3,353,041	1,690,778
Effects of:		
Depreciation & Balancing charge	42,326	40,006
Additional R&D claim	(463,969)	(422,404)
Effect of Capital allowances	(64,175)	(30,526)
Disallowable items	715	1,877
Patent Box deduction	(818,571)	(353,508)
Total tax charge	2,049,367	926,223

7. DIVIDENDS

	2016 £	2015 £
Interim	6,000,000	6,000,000

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2016**8. TANGIBLE FIXED ASSETS**

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 October 2015	2,066,605	482,697	110,177	117,425	2,776,904
Additions	207,067	74,156	-	160	281,383
At 30 September 2016	2,273,672	556,853	110,177	117,585	3,058,287
DEPRECIATION					
At 1 October 2015	1,790,877	421,785	104,832	100,021	2,417,515
Charge for year	152,679	47,806	5,345	5,796	211,626
At 30 September 2016	1,943,556	469,591	110,177	105,817	2,629,141
NET BOOK VALUE					
At 30 September 2016	330,116	87,262	-	11,768	429,146
At 30 September 2015	275,728	60,912	5,345	17,404	359,389

9. STOCKS

	2016 £	2015 £
Stock of Raw Material	954,717	552,249

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade debtors	4,999,863	2,876,394
Tax Recoverable	137,010	161,643
Due from Group Companies	2,598,880	1,156,879
Prepayments	21,462	20,110
	7,757,215	4,215,026

There is no formal agreement between the group undertaking balance and the Company for the group undertakings to repay their loans in more than one year. All the loans are repayable by demand and are shown at cost. The amounts shown in the accounts are at their carrying values.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2016

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade creditors	157,449	179,259
Tax	1,603,470	33,589
Social security and other taxes	109,659	109,598
Other creditors	15,987	15,987
Due to group undertakings	34,935	34,935
Accrued Expenses	87,456	61,675
Directors' loan accounts	12,228	12,228
	<u>2,021,184</u>	<u>447,271</u>

There is no formal agreement between the group undertaking balance and the Company for the group undertakings to repay their loans in more than one year. All the loans are repayable by demand and are shown at cost. The amounts shown in the accounts are at their carrying values.

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016 £	2015 £
Due to group undertaking	-	555,290

13. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2016 £	2015 £
Within one year	321,000	321,000
Between one and five years	1,284,000	1,284,000
In more than five years	16,050,000	16,371,000
	<u>17,655,000</u>	<u>17,976,000</u>

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2016 £	2015 £
100	Ordinary	£1	<u>100</u>	<u>100</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2016

15. RESERVES

	Retained earnings £
At 1 October 2015	9,909,541
Profit for the year	14,715,840
Dividends	(6,000,000)
	<hr/>
At 30 September 2016	<u>18,625,381</u>

16. CONTINGENT LIABILITIES

Counter Indemnity given by the company's bankers, HSBC Bank for £40,000 to HM Customs and Excise.

17. RELATED PARTY DISCLOSURES

Dixondale Ltd
Parent Company

During the year, RSR Ltd paid rent of £321,000 to Dixondale Ltd (2015: 321,000). Rent is paid at arms length, on a commercial basis.

	2016 £	2015 £
Amount due to related party at the balance sheet date	<u>846,247</u>	<u>555,290</u>

DR B REES-SMITH

Director and 100% Shareholder of Dixondale Limited.

RSR Limited is 100% controlled by Dr B Rees-Smith given Dr B Rees-Smith's 100% shareholding of the parent company Dixondale Limited.

The loan outstanding to Dr B Rees-Smith at 30th September 2016 was interest free and repayable on demand. There were no movements on this account during the year.

	2016 £	2015 £
Amount due to related party at the balance sheet date	<u>12,228</u>	<u>12,228</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2016

17. RELATED PARTY DISCLOSURES - continued

- **Lotein Ltd**
Subsidiary of Dixondale Ltd

Amount due to related party at the balance sheet date

2016	2015
£	£
<u>34,936</u>	<u>34,936</u>

Cosmic Corporation
Subsidiary of Dixondale Ltd

RSR Ltd and Cosmic Corporation engage in normal trading on an arms length basis.

Amount due from related party at the balance sheet date

2016	2015
£	£
<u>1,332,937</u>	<u>1,156,879</u>

AV7
Company Dr B Rees-Smith holds an interest in

Amount due to related party at the balance sheet date

2016	2015
£	£
<u>15,987</u>	<u>15,987</u>

Kronus Inc
Associate Company within the Dixondale Group

Amount due from related party at the balance sheet date

2016	2015
£	£
<u>1,010,062</u>	<u>795,542</u>

RSR Tiajin Biotech Ltd
Associate Company within the Dixondale Group

Amount due from related party at the balance sheet date

2016	2015
£	£
<u>35,578</u>	<u>72,445</u>

18. POST BALANCE SHEET EVENTS

There are no post balance sheet events.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2016

19. ULTIMATE CONTROLLING PARTY

The company's ultimate parent undertaking is Dixondale Limited, a company incorporated in England and Wales.

20. FIRST YEAR ADOPTION

In transition to FRS 102 from old UK GAAP, the Company has made measurement and recognition adjustments.

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 October 2015 rather than commence date of the arrangement.
- Lease incentives - for leases commenced before 1 October 2015 the Company continued to account for lease incentives under previous UK GAAP.

Transitional relief

On transition to FRS 102, the company has taken advantage of the following transitional relief:

- to measure fair value at date of transition to FRS 102 and use as deemed cost on an item of property, plant and equipment.

RECONCILIATION OF EQUITY**1 OCTOBER 2014****(DATE OF TRANSITION TO FRS 102)**

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		242,766	-	242,766
CURRENT ASSETS				
Stocks		646,513	-	646,513
Debtors		4,062,978	-	4,062,978
Cash at bank and in hand		5,023,271	-	5,023,271
		9,732,762	-	9,732,762
CREDITORS				
Amounts falling due within one year		(655,587)	-	(655,587)
NET CURRENT ASSETS		9,077,175	-	9,077,175
TOTAL ASSETS LESS CURRENT LIABILITIES		9,319,941	-	9,319,941
CREDITORS				
Amounts falling due after more than one year		(731,773)	-	(731,773)
NET ASSETS		8,588,168	-	8,588,168
CAPITAL AND RESERVES				
Called up share capital		100	-	100
Retained earnings		8,588,068	-	8,588,068
SHAREHOLDERS' FUNDS		8,588,168	-	8,588,168

The notes form part of these financial statements

RECONCILIATION OF EQUITY - continued
30 SEPTEMBER 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		359,389	-	359,389
CURRENT ASSETS				
Stocks		552,249	-	552,249
Debtors		4,215,026	-	4,215,026
Cash at bank and in hand		5,785,538	-	5,785,538
		10,552,813	-	10,552,813
CREDITORS				
Amounts falling due within one year		(447,271)	-	(447,271)
NET CURRENT ASSETS		10,105,542	-	10,105,542
TOTAL ASSETS LESS CURRENT LIABILITIES		10,464,931	-	10,464,931
CREDITORS				
Amounts falling due after more than one year		(555,290)	-	(555,290)
NET ASSETS		9,909,641	-	9,909,641
CAPITAL AND RESERVES				
Called up share capital		100	-	100
Retained earnings		9,909,541	-	9,909,541
SHAREHOLDERS' FUNDS		9,909,641	-	9,909,641

The notes form part of these financial statements

RSR LTD (REGISTERED NUMBER: 03766047)

RECONCILIATION OF PROFIT
FOR THE YEAR ENDED 30 SEPTEMBER 2015

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
TURNOVER	14,130,356	-	14,130,356
Cost of sales	(7,378,432)	-	(7,378,432)
GROSS PROFIT	6,751,924	-	6,751,924
Administrative expenses	(2,261,698)	-	(2,261,698)
Other operating income	3,753,905	-	3,753,905
OPERATING PROFIT	8,244,131	-	8,244,131
Interest receivable and similar income	3,565	-	3,565
PROFIT BEFORE TAXATION	8,247,696	-	8,247,696
Tax on profit	(926,223)	-	(926,223)
PROFIT FOR THE FINANCIAL YEAR	7,321,473	-	7,321,473

The notes form part of these financial statements