REGISTERED NUMBER: 01662593 (England and Wales)

DIXONDALE LIMITED

GROUP STRATEGIC REPORT,

REPORT OF THE DIRECTORS AND

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

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

CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

DIXONDALE LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2019

DIRECTORS:	Dr B Rees-Smith P Rees-Smith Miss J Bradbury Dr S Chen Dr J Furmaniak Dr M Powell Dr J Sanders
SECRETARY:	J L Barwise
REGISTERED OFFICE:	7 Robin Lane High Bentham Lancaster Lancashire LA2 7AB
REGISTERED NUMBER:	01662593 (England and Wales)
AUDITORS:	HODGE BAKSHI CHARTERED ACCOUNTANTS & STATUTORY AUDITORS CHURCHGATE HOUSE CHURCH ROAD CARDIFF CF14 2DX

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2019

The directors present their strategic report of the company and the group for the year ended 30 September 2019.

REVIEW OF BUSINESS
The principal activity of the group in the year under review was that of investment and letting of properties, manufacturing and distributing medical diagnostic kits.

Details of the group's performance for the financial year are set out in detail on page 11. Its results and future prospects are considered to be satisfactory.

During the year the group has continued to improve and develop its investment properties. This investment and development is to continue and further increase future rental income.

The consolidated balance sheet on page 14 shows that the group net assets have increased by £22.9 million when compared to the prior year.

PRINCIPAL RISKS AND UNCERTAINTIES
The Management continually monitor the key risks facing the group 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 group are as follows;

Economic downturn - the group 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 group's purchasing activities could expose it to over reliance on certain suppliers and inflationary pricing pressure. The group'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 group. Management seek to ensure that key personnel are appropriately remunerated to ensure that good performance is recognised.

KEY PERFORMANCE INDICATORS
One of the company's key measurements of effectiveness of its operations is calculating gross margin after direct costs. The group achieved a gross margin after direct costs of 67.6% (2018 - 65.3%).The increase been as a result of an decrease in cost of sales in spite of a decrease 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.

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2019

DEVELOPMENT AND FINANCIAL PERFORMANCE DURING THE YEAR
During the year the group recorded a turnover of £32m compared to the previous year of £29m, with an increase in operating operating profit by £3.6m in the year. This increase in profit is due to an decrease in cost of sales in spite of a decrease in productivity and strong controls on input costs.The directors will continue to focus on improving margins and driving down costs in the company where possible for the forthcoming year.

The group has made an investment in a connected company developing a new product. This investment bears interest at market rate. The product has been launched for clinical trials through one of the groups undertaking in Japan and the UK. The directors believes the success of the clinical trials will generate income streams for the connected company to repay the amount invested by Dixondale Limited.

FINANCIAL POSITION AT THE REPORTING DATE
The balance sheet on page 14 shows that the group's net assets have increased by £22.9m when compared to the prior year.

However, uncertainties related to the effects of Brexit and COVID-19 are relevant to understanding the financial statements. However, the reasonableness of estimates made by the directors, such as recoverability of debtors and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.
Brexit and COVID-19 are the most significant economic and social events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. However, when assessing the company's future prospects no accounts should be expected to predict unknowable factors of all possible future implications for a company and this is particularly the case in relation to Brexit and COVID-19.

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 group continues and the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should be identical to that of other employees.

EMPLOYEE CONSULTATION
The group 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 group 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:

Dr B Rees-Smith - Director

29 June 2020

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

The directors present their report with the financial statements of the company and the group for the year ended 30 September 2019.

DIVIDENDS
The total distribution of dividends for the year ended 30 September 2019 will be £ 500,320 .

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

FUTURE DEVELOPMENTS
The Directors aim is to continue implementing the management policies which have been introduced in recent years which have assisted in successfully development of the company in recent years. Overall, the directors believe that the Group is well placed in terms of strategic and market position to maximise its ability to generate sales and satisfy customer demand.

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
The directors set out in the table below have held office during the whole of the period from 1 October 2018 to the date of this report.

The beneficial interests of the directors holding office at 30 September 2019 in the shares of the company, according to the register of directors' interests, were as follows:

	30.9.19	1.10.18
Ordinary Shares shares of £1 each		
Dr B Rees-Smith	59,000	59,000
P Rees-Smith	-	-
Miss J Bradbury	-	-
Dr S Chen	-	-
Dr J Furmaniak	-	-
Dr M Powell	-	-
Dr J Sanders	-	-

These directors did not hold any non-beneficial interests in the shares of the company.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

FINANCIAL INSTRUMENTS

The Group operates a centralised treasury function which is responsible for managing the liquidity, interest and foreign currency risks associated with the group's activities. The group principle financial instruments include bank accounts. In addition, the Group has various financial assets and liabilities such as intercompany loans, trade receivables and trade payables arising from its operations.

Liquidity risk- The operations of the group are financed by a mixture of retained profits and cash. The group's policy to manage the liquidity risk and cash flow risk is to ensure that adequate funds are held in readily accessible current accounts, to meet the working capital requirements of the group. The directors of the group monitor these risks carefully and, when appropriate, steps are taken to ensure liquidity risk and cash flow risk are reduced.

Interest rate risk- The group operates an overdraft, loans and debt factoring account. As such, it is exposed to interest rate risks. This risk is managed by regular and consistent monitoring of interest rates.

Foreign exchange risk- The group sources products from abroad and is therefore subject to foreign exchange movements. This risk is managed by regular and consistent monitoring of exchange rates.
Credit risk-The Group's principal financial assets are bank balances and cash, trade and other receivables, and investments.
The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.
The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.
The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

POLITICAL DONATIONS AND EXPENDITURE

The group made no charitable or political donations during the year.

PRINCIPAL RISKS AND UNCERTAINTIES

There are no significant number of potential risks and uncertainties, which could have a material impact on the group's long term performance.

GOING CONCERN

The directors have a reasonable expectation that the group has access to adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the 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.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

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.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Group 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 the group and of the profit or loss of the group 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group 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 group'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 group'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

29 June 2020

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DIXONDALE LIMITED

Opinion

We have audited the financial statements of DIXONDALE LIMITED (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2019 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, 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 group's and of the parent company affairs as at 30 September 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 group'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.

Impact of uncertainties due to Britain exiting the European Union and COVID-19

Uncertainties related to the effects of Brexit and COVID-19 are relevant to understanding our audit of the financial statements. All audit assess and challenge the reasonableness of estimates made by the directors, such as recoverability of debtors and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit and COVID-19 are the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors of all possible future implications for a company and this is particularly the case in relation to Brexit and COVID-19.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DIXONDALE LIMITED

Emphasis of matter
In forming our opinion on the financial statements, which is not qualified, we would draw your attention to note 16 in the financial statements concerning the recoverability of a debt due from a connected company.

Other information
The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Group 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; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DIXONDALE LIMITED

Responsibilities of directors
As explained more fully in the Statement of Directors' Responsibilities set out on page seven, 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 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 a Report of the Auditors 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. This description forms part of our Report of the Auditors.

Use of our report
This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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.

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

29 June 2020

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Notes	2019 £	2019 £	2018 £	2018 £
TURNOVER					
Group and share of associates			**35,619,624**		32,579,957
Less:					
Share of associates' turnover			**(3,720,855)**		(2,902,897)
GROUP TURNOVER	3		**31,898,769**		29,677,060
Cost of sales			**10,319,665**		10,308,076
GROSS PROFIT			**21,579,104**		19,368,984
Administrative expenses			**8,514,162**		7,040,584
			13,064,942		12,328,400
Other operating income	4		**11,771,630**		8,854,608
OPERATING PROFIT	6		**24,836,572**		21,183,008
Income from interest in associated undertakings		**432,402**		198,643	
Income from fixed asset investments		**4,639**		4,422	
Interest receivable and similar income		**827,405**		970,551	
			1,264,446		1,173,616
			26,101,018		22,356,624
Gain/(loss) on revaluation of investments			**(49,689)**		92,119
			26,051,329		22,448,743
Interest payable and similar expenses	7		**5,212**		12,202
PROFIT BEFORE TAXATION			**26,046,117**		22,436,541
Tax on profit	8		**3,544,121**		2,816,084
PROFIT FOR THE FINANCIAL YEAR			**22,501,996**		19,620,457

The notes form part of these financial statements

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	2019	2018
	£	£
PROFIT FOR THE FINANCIAL YEAR	**22,501,996**	19,620,457
Profit attributable to:		
Owners of the parent	**22,311,625**	19,504,050
Non-controlling interests	**190,371**	116,407
	22,501,996	19,620,457

The notes form part of these financial statements

CONSOLIDATED OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Notes	2019 £	2018 £
PROFIT FOR THE YEAR		**22,501,996**	19,620,457
OTHER COMPREHENSIVE INCOME			
Currency translation differences		**1,107,016**	494,199
Income tax relating to other comprehensive income		**-**	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		**1,107,016**	494,199
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**23,609,012**	20,114,656
Total comprehensive income attributable to:			
Owners of the parent		**23,594,875**	19,879,525
Non-controlling interests		**14,137**	235,131
		23,609,012	20,114,656

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET
30 SEPTEMBER 2019

	Notes	2019 £	2019 £	2018 £	2018 £
FIXED ASSETS					
Intangible assets	11		**111,472**		58,342
Tangible assets	12		**7,106,766**		7,302,754
Investments	13				
Interest in associate			**886,660**		771,244
Other investments			**294,454**		344,143
Investment property	14		**26,425,159**		18,745,484
			34,824,511		27,221,967
CURRENT ASSETS					
Stocks	15	**1,901,743**		1,732,063	
Debtors	16	**18,981,732**		24,051,452	
Cash at bank and in hand		**121,164,217**		98,350,860	
		142,047,692		124,134,375	
CREDITORS					
Amounts falling due within one year	17	**5,849,464**		3,255,411	
NET CURRENT ASSETS			**136,198,228**		120,878,964
TOTAL ASSETS LESS CURRENT LIABILITIES			**171,022,739**		148,100,931
PROVISIONS FOR LIABILITIES	19		**146,007**		156,657
NET ASSETS			**170,876,732**		147,944,274

The notes form part of these financial statements

continued...

CONSOLIDATED BALANCE SHEET - continued
30 SEPTEMBER 2019

	Notes	2019 £	2019 £	2018 £	2018 £
CAPITAL AND RESERVES					
Called up share capital	20		**59,000**		59,000
Revaluation reserve	21		**229,188**		229,188
Exchange rate reserve	21		**2,506,457**		1,399,441
Revaluation of listed investments	21		**234,902**		284,591
Retained earnings	21		**166,112,410**		144,251,416
SHAREHOLDERS' FUNDS			**169,141,957**		146,223,636
NON-CONTROLLING INTERESTS	22		**1,734,775**		1,720,638
TOTAL EQUITY			**170,876,732**		147,944,274

The financial statements were approved by the Board of Directors and authorised for issue on 29 June 2020 and were signed on its behalf by:

Dr B Rees-Smith - Director

The notes form part of these financial statements

COMPANY BALANCE SHEET
30 SEPTEMBER 2019

	Notes	2019 £	2019 £	2018 £	2018 £
FIXED ASSETS					
Intangible assets	11		**-**		-
Tangible assets	12		**6,572,338**		6,654,846
Investments	13		**716,290**		765,978
Investment property	14		**23,853,176**		16,173,500
			31,141,804		23,594,324
CURRENT ASSETS					
Debtors	16	**8,779,139**		21,453,297	
Cash at bank and in hand		**95,667,440**		70,058,520	
		104,446,579		91,511,817	
CREDITORS					
Amounts falling due within one year	17	**1,251,192**		387,296	
NET CURRENT ASSETS			**103,195,387**		91,124,521
TOTAL ASSETS LESS CURRENT LIABILITIES			**134,337,191**		114,718,845
PROVISIONS FOR LIABILITIES	19		**146,007**		156,657
NET ASSETS			**134,191,184**		114,562,188

The notes form part of these financial statements

continued...

COMPANY BALANCE SHEET - continued
30 SEPTEMBER 2019

		2019		2018	
	Notes	£	£	£	£
CAPITAL AND RESERVES					
Called up share capital	20		**59,000**		59,000
Revaluation of listed investments	21		**234,902**		284,591
Retained earnings	21		**133,897,282**		114,218,597
SHAREHOLDERS' FUNDS			**134,191,184**		114,562,188
Company's profit for the financial year			**20,129,316**		17,845,331

The financial statements were approved by the Board of Directors and authorised for issue on 29 June 2020 and were signed on its behalf by:

Dr B Rees-Smith - Director

DIXONDALE LIMITED (REGISTERED NUMBER: 01662593)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Called up share capital £	Retained earnings £	Revaluation reserve £	Exchange rate reserve £
Balance at 1 October 2017	59,000	125,319,326	229,188	905,242
Changes in equity				
Dividends	-	(500,320)	-	-
Total comprehensive income	-	19,432,410	-	494,199
Balance at 30 September 2018	59,000	144,251,416	229,188	1,399,441
Changes in equity				
Dividends	-	(500,320)	-	-
Total comprehensive income	-	22,361,314	-	1,107,016
Balance at 30 September 2019	59,000	166,112,410	229,188	2,506,457

	Revaluation of listed investments £	Total £	Non-controlling interests £	Total equity £
Balance at 1 October 2017	212,951	126,725,707	1,485,507	128,211,214
Changes in equity				
Dividends	-	(500,320)	-	(500,320)
Total comprehensive income	71,640	19,998,249	235,131	20,233,380
Balance at 30 September 2018	284,591	146,223,636	1,720,638	147,944,274
Changes in equity				
Dividends	-	(500,320)	-	(500,320)
Total comprehensive income	(49,689)	23,418,641	14,137	23,432,778
Balance at 30 September 2019	234,902	169,141,957	1,734,775	170,876,732

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Called up share capital £	Retained earnings £	Revaluation of listed investments £	Total equity £
Balance at 1 October 2017	59,000	96,945,226	212,951	97,217,177
Changes in equity				
Dividends	-	(500,320)	-	(500,320)
Total comprehensive income	-	17,773,691	71,640	17,845,331
Balance at 30 September 2018	59,000	114,218,597	284,591	114,562,188
Changes in equity				
Dividends	-	(500,320)	-	(500,320)
Total comprehensive income	-	20,179,005	(49,689)	20,129,316
Balance at 30 September 2019	59,000	133,897,282	234,902	134,191,184

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Notes	2019 £	2018 £
Cash flows from operating activities			
Cash generated from operations	1	**31,906,153**	17,873,073
Interest paid		**(5,212)**	(12,202)
Minority Interest		**(176,234)**	118,723
Currency translation differences		**1,107,016**	494,200
Tax paid		**(2,717,972)**	(3,989,899)
Net cash from operating activities		**30,113,751**	14,483,895
Cash flows from investing activities			
Purchase of intangible fixed assets		-	(2,866)
Purchase of tangible fixed assets		**(280,758)**	(392,221)
Purchase of fixed asset investments		**(115,416)**	(10,284)
Purchase of investment property		**(7,679,675)**	(83,082)
Sale of tangible fixed assets		**11,329**	(5,423)
Interest received		**827,405**	970,551
Dividends received		**437,041**	203,065
Net cash from investing activities		**(6,800,074)**	679,740
Cash flows from financing activities			
Equity dividends paid		**(500,320)**	(500,320)
Net cash from financing activities		**(500,320)**	(500,320)
Increase in cash and cash equivalents		**22,813,357**	14,663,315
Cash and cash equivalents at beginning of year	2	**98,350,860**	83,687,545
Cash and cash equivalents at end of year	2	**121,164,217**	98,350,860

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2019

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

	2019	2018
	£	£
Profit before taxation	**26,046,117**	22,436,541
Depreciation charges	**397,114**	787,191
(Profit)/loss on disposal of fixed assets	**(1,000)**	8,469
Loss/(gain) on revaluation of fixed assets	**132,356**	(92,119)
Finance costs	**5,212**	12,202
Finance income	**(1,264,446)**	(1,173,616)
	25,315,353	21,978,668
Increase in stocks	**(169,680)**	(331,474)
Decrease/(increase) in trade and other debtors	**5,383,940**	(3,784,285)
Increase in trade and other creditors	**1,376,540**	10,164
Cash generated from operations	**31,906,153**	17,873,073

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 2019

	30.9.19	**1.10.18**
	£	**£**
Cash and cash equivalents	**121,164,217**	**98,350,860**

Year ended 30 September 2018

	30.9.18	1.10.17
	£	£
Cash and cash equivalents	98,350,860	83,687,545

The notes form part of these financial statements

1. STATUTORY INFORMATION

DIXONDALE LIMITED 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 General 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 as modified by the revaluation of certain assets.

The principal activities of the Company and its subsidiaries (the Group) and the nature of the Group's operations are set out in the strategic report on page 2.
Dixondale Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to share-based payments, financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

Basis of consolidation
The group financial statements consolidate the financial statements of Dixondale Limited and its subsidiary undertakings drawn up to 30 September 2019.

No profit and loss account is presented for Dixondale Limited itself as the exemption in section 408 of the Companies Act 2006 applies.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. The comparative figures are restated when found necessary. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Associates
Transactions resulting from associates have been treated in accordance with Paragraph 14.4A of FRS 102 "Associates and Joint ventures". The investment in Associates are accounted for using the equity method of accounting.

Related party exemption
The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

 continued...

2. **ACCOUNTING POLICIES - continued**

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.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Valuation of land and buildings

As described in note 14 to the financial statements, land and buildings are stated at fair value based on the valuation performed by the directors on yield basis.

Depreciation

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investment, economic utilisation and the physical condition of the asset.

Deferred taxation

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. As at 30th September 2019 the deferred tax asset was £906,698 relating to retirement and bonus provisions made in a Japanese subsidiary.

continued...

2. **ACCOUNTING POLICIES - continued**

Turnover
Group turnover comprises the value of sales (excluding VAT and similar taxes, trade discounts and intra-group transactions) of goods and services provided in the normal course of business. The group generally recognises sales, net of returns and discounts, at the time customer takes possession of goods or receives service. When the group collects payments from customers prior to the transfer of ownership of goods or the performance of services, the amounts received are recorded as deferred revenue until the sale or service is completed.

Intangible assets
Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Patents and licences are being amortised evenly over their estimated useful life of three years.

Tangible fixed assets
Land and buildings held and used in the Company's own activities for production and supply of goods for administrative purposes are stated in the statement of financial position at their revalued amounts.

Included in freehold property is an improvement to property included in an overseas company.
Depreciation at a rate of 2% is charged.
The property occupied by the UK subsidiary, which pays commercial rent to the parent company, is considered as an investment property at cost and is not depreciated.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets, other than freehold land, over their expected useful lives, using the straight- line method. The rates applicable are:

Land- not depreciated
Short leasehold -straight line over the life of the lease
Plant and Machinery -25% on cost
Fixtures and Fittings -20% on reducing balance
Motor Vehicles -25% on reducing balance
Computer equipment -33% on reducing balance

continued...

2. **ACCOUNTING POLICIES - continued**

Investment property
Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Investment properties for which fair value can be measured reliably are measured at fair value at each reporting date with changes in fair value measured through profit and loss.

The methods and significant assumptions used to ascertain the fair value at the balance sheet date and fair value movement in the profit for the year are as follows:

Properties are valued by the directors using a yield calculation to ascertain a fair value.

In accordance with the Financial Reporting Standard no depreciation is provided in respect of freehold properties held as investments. This is a departure from the requirements of the Companies Act 2006 which require all properties to be depreciated. Such properties are held for investment and not for consumption and the directors consider that to depreciate them would not give a true and fair view. Depreciation is only one of the many elements reflected in the annual valuation of properties and accordingly the amount of depreciation which might otherwise have been charged cannot be separately identified or quantified. The directors consider that this policy results in the accounts giving a true and fair view.

Valuation of investments in subsidiaries and associated companies
Investments in subsidiaries are measured at cost less accumulated impairment.

Investment in associates are accounted for at cost less impairment in the individual financial statements and group financial statements.

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.

continued...

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

continued...

2. **ACCOUNTING POLICIES - continued**

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. As at 30th September 2019 the deferred tax asset was £906,698 relating to retirement and bonus provisions made in a Japanese subsidiary.

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Group is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

Deferred tax relating to non-depreciable property measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

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

Deferred tax assets and liabilities are offset only if: (a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and (b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Research and development

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

continued...

2. ACCOUNTING POLICIES - continued

Foreign currencies
Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.
At each period end foreign currency monetary items are translated using the closing rate.Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.
Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account except where deferred in other comprehensive income as qualifying cash flow hedges.
Foreign exchange gains and losses that relate to borrowings are presented in the profit and loss account within"finance (expense)/income. All other foreign exchange gains and losses are presented in the the profit and loss account within "other operating (losses)/gains".

Pension costs and other post-retirement benefits
The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Listed investments
Investments are shown at market value. The investments are listed on a recognised stock exchange. The market value is calculated from the mid-price of the units on the last day of the period. Investment income is credited to the profit & loss account when received.

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings or current liabilities.

continued...

2. ACCOUNTING POLICIES - continued

Impairment of financial assets
At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Provisions and contingencies
Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation;and the amount of the obligation can be estimated reliably.
Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.
Provision is not made for future operating losses
Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

Contingencies
Contingent liabilities are not recognised. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.
Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

Financial instruments
A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

1. Financial assets
Basic financial assets, including trade and other receivables, cash and bank balances, are initially recognised at transaction price, unless the arrangement constitute a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

continued...

2. **ACCOUNTING POLICIES - continued**

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. 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 assets original effective rate. The impairment loss is recognised in profit or loss.

2.Financial liabilities

Basic financial liabilities, including trade, other payables and loans from fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate.

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the profit and loss in financial costs or income as appropriate.

The company does not currently apply hedge accounting for foreign exchange derivatives.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Going Concern

The directors have a reasonable expectation that the group has access to adequate resources to continue in operational existence for the foreseeable future, in spite of COVID-19 lockdown, and is well placed to manage its business risks successfully. Accordingly, they 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 in preparing the financial statements.

Employee benefits

Short-term employee benefits are recognised as an expense in the period in which they are incurred.The company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements, defined benefit contribution pension plans and medical costs

The obligation for contribution to defined contribution scheme are recognised as an expense in the period they are incurred. The assets of the scheme are held separately from those of the Company in an independent administered fund.

Provisions

Provisions are recognised when the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

continued...

2. **ACCOUNTING POLICIES - continued**

Leases
The Group as lessee
Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.
Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.
The Group as lessor
Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Royalties
Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably). Royalties determined on a time basis are recognised on a straight-line basis over the period of the agreement. Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

Interest income
Interest income is recognised using the effective interest rate method.

Exchange rate reserve
Exchange differences arising on translation of the foreign controlled entities are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit of loss when the net investment is disposed of.

Related parties
For the purposes of these financial statements, party is considered to be related to the Company if;
(i) the party has the ability, directly or indirectly, through one or more intermediaries, to control the company or exercise significant influence over the company in making financial and operating policy decisions, or has joint control over the company;
(ii) the company and the party are subject to common control;
(iii) the party is an associate of the company or a joint venture in which the company is a venturer;
(iv) the party is a member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
(v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals;
(vi) the party is a post-employment benefit plan which is for the benefit of employees of the company or of any entity that is a related party of the company; or

continued...

2. **ACCOUNTING POLICIES - continued**

(vii) the party, or any member of a group of which it is part, provides key management personnel services to the company or its parent.

3. **TURNOVER**

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

An analysis of turnover by class of business is given below:

	2019	2018
	£	£
United Kingdom	1,092,162	959,324
Worldwide	30,806,607	28,717,736
	31,898,769	29,677,060

4. **OTHER OPERATING INCOME**

	2019	2018
	£	£
Exchange (loss)/gain	3,843,604	1,813,590
Rents received	1,572,995	1,124,316
Sundry receipts	94,164	9,130
Royalties received	6,370,769	5,876,479
Profit/(loss) on investments	(109,902)	31,093
	11,771,630	8,854,608

5. **EMPLOYEES AND DIRECTORS**

	2019	2018
	£	£
Wages and salaries	9,416,372	8,326,155
Social security costs	526,492	491,096
Other pension costs	251,878	245,133
	10,194,742	9,062,384

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

	2019	2018
Directors	9	9
Administration/operations/sales	157	152
	166	161

continued...

5. EMPLOYEES AND DIRECTORS - continued

	2019	2018
	£	£
Directors' remuneration	**1,687,293**	1,247,906
Directors' pension contributions to money purchase schemes	**17,500**	17,500

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

Money purchase schemes	**5**	6

Information regarding the highest paid director is as follows:

	2019	2018
	£	£
Emoluments etc	**490,981**	309,423

6. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2019	2018
	£	£
Operating lease income	**(1,572,995)**	(1,124,316)
Depreciation - owned assets	**397,114**	756,839
(Profit)/loss on disposal of fixed assets	**(1,000)**	8,469
Patents and licences amortisation	**55,715**	56,632
Auditors' remuneration- Parent /Consolidation	**14,000**	13,000
Auditors' remuneration - UK Subsidiaries	**14,900**	14,800
Auditors' remuneration - Overseas subsidiary	**23,662**	21,441
Auditors' remuneration - Tax compliance and other services	**101,471**	107,402
Research and Development	**533,620**	485,637
Other operating leases	**241,448**	203,857

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019	2018
	£	£
Interest payable	**5,212**	12,202

continued...

8. TAXATION

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

	2019	2018
	£	£
Current tax:		
UK corporation tax	**3,589,667**	2,664,711
Prior period losses carryback	**(34,896)**	134,201
Total current tax	**3,554,771**	2,798,912
Deferred tax	**(10,650)**	17,172
Tax on profit	**3,544,121**	2,816,084

UK corporation tax has been charged at 19% (2018 - 19%).

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:

	2019	2018
	£	£
Profit before tax	**26,046,117**	22,436,541
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	**4,948,762**	4,262,943
Effects of:		
Expenses not deductible for tax purposes	**53,813**	119,889
Capital allowances in excess of depreciation	**(10,650)**	-
Depreciation in excess of capital allowances	**-**	17,172
Adjustments to tax charge in respect of previous periods	**(34,896)**	134,201
R & D and Patient box deduction	**(1,528,685)**	(1,636,077)
Accelerated capital allowances	**(67,448)**	(83,938)
Other	**173,784**	148,059
Trading losses utilised	**-**	(146,165)
Provision for diminuation in the value of fixed asset investment	**9,441**	-
Total tax charge	**3,544,121**	2,816,084

continued...

8. TAXATION - continued

Tax effects relating to effects of other comprehensive income

	2019		
	Gross	**Tax**	**Net**
	£	**£**	**£**
Currency translation differences	**1,107,016**	**-**	**1,107,016**

	2018		
	Gross	Tax	Net
	£	£	£
Currency translation differences	494,199	-	494,199

9. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements. The parent company's profit for the financial period was £20,129,316 (30th September 2018 -£17,845,331)

10. DIVIDENDS

	2019	2018
	£	£
Dividend paid	**500,320**	500,320

continued...

11. INTANGIBLE FIXED ASSETS

Group

	Patents and licences £
COST	
At 1 October 2018	154,332
Exchange differences	122,842
At 30 September 2019	277,174
AMORTISATION	
At 1 October 2018	95,990
Amortisation for year	55,715
Exchange differences	13,997
At 30 September 2019	165,702
NET BOOK VALUE	
At 30 September 2019	111,472
At 30 September 2018	58,342

continued...

12. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 October 2018	6,679,549	5,076,292	1,517,031
Additions	3,374	158,294	119,090
Disposals	-	-	(11,806)
Exchange differences	21,259	25,272	(13,925)
At 30 September 2019	6,704,182	5,259,858	1,610,390
DEPRECIATION			
At 1 October 2018	168,225	4,633,498	1,190,072
Charge for year	6,248	254,660	129,175
Eliminated on disposal	-	-	(1,477)
Exchange differences	17,956	23,704	60,249
At 30 September 2019	192,429	4,911,862	1,378,019
NET BOOK VALUE			
At 30 September 2019	6,511,753	347,996	232,371
At 30 September 2018	6,511,324	442,794	326,959

continued...

12. TANGIBLE FIXED ASSETS - continued

Group

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 October 2018	138,298	117,585	13,528,755
Additions	-	-	280,758
Disposals	(18,800)	-	(30,606)
Exchange differences	-	-	32,606
At 30 September 2019	119,498	117,585	13,811,513
DEPRECIATION			
At 1 October 2018	116,621	117,585	6,226,001
Charge for year	7,031	-	397,114
Eliminated on disposal	(18,800)	-	(20,277)
Exchange differences	-	-	101,909
At 30 September 2019	104,852	117,585	6,704,747
NET BOOK VALUE			
At 30 September 2019	14,646	-	7,106,766
At 30 September 2018	21,677	-	7,302,754

Included in freehold property is an improvement to property included in an overseas company. Depreciation at a rate of 2% is charged.
The property occupied by the UK subsidiary, which pays commercial rent to the parent company, is considered as an investment property at cost and is not depreciated.

continued...

12. TANGIBLE FIXED ASSETS - continued

Company

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Totals £
COST OR VALUATION				
At 1 October 2018 and 30 September 2019	6,477,598	2,254,565	106,293	8,838,456
DEPRECIATION				
At 1 October 2018	-	2,090,733	92,877	2,183,610
Charge for year	-	76,141	6,367	82,508
At 30 September 2019	-	2,166,874	99,244	2,266,118
NET BOOK VALUE				
At 30 September 2019	6,477,598	87,691	7,049	6,572,338
At 30 September 2018	6,477,598	163,832	13,416	6,654,846

The property occupied by the UK subsidiary, which pays commercial rent, is considered as an investment property at cost and is not depreciated.

Cost or valuation at 30 September 2019 is represented by:

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Totals £
Valuation in 2018	6,477,598	2,254,565	106,293	8,838,456

13. FIXED ASSET INVESTMENTS

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Participating interests	886,660	771,244	-	-
Other investments not loans	294,454	344,143	716,290	765,978
	1,181,114	1,115,387	716,290	765,978

continued...

13. **FIXED ASSET INVESTMENTS - continued**

Additional information is as follows:

Group

	Interest in associate £	Listed investments £	Totals £
COST OR VALUATION			
At 1 October 2018	771,244	344,143	1,115,387
Additions	115,416	-	115,416
Revaluation	-	(49,689)	(49,689)
At 30 September 2019	886,660	294,454	1,181,114
NET BOOK VALUE			
At 30 September 2019	886,660	294,454	1,181,114
At 30 September 2018	771,244	344,143	1,115,387

Interest in associate

Associate	Country of incorporation/registration and operation	Activity	Portion of ordinary shares and voting rights held
Kronus Market Development Associates Inc.	USA	Retailer of diagnostic kits	37.5%
RSR Tianjin Biotech Co Limited	China	R & D technology related to biomedicine	40.0%

continued...

13. **FIXED ASSET INVESTMENTS - continued**

Group

Cost or valuation at 30 September 2019 is represented by:

	Interest in associate £	Listed investments £	Totals £
Valuation in 2016	-	133,753	133,753
Valuation in 2017	-	79,198	79,198
Valuation in 2018	-	71,640	71,640
Valuation in 2019	-	(49,689)	(49,689)
Cost	886,660	59,552	946,212
	886,660	294,454	1,181,114

Investment in listed investments is held at cost less adjustment for any impairment losses or gains.

Company

	Listed investments £
COST OR VALUATION	
At 1 October 2018	344,145
Revaluation	(49,689)
At 30 September 2019	294,456
NET BOOK VALUE	
At 30 September 2019	294,456
At 30 September 2018	344,145

Cost or valuation at 30 September 2019 is represented by:

	Listed investments £
Valuation in 2019	294,456

 continued...

13. FIXED ASSET INVESTMENTS - continued

Company

Investments (neither listed nor unlisted) were as follows:

	2019	2018
	£	£
Investment in subsidiary & associated companies	**421,834**	395,286
Investment in year	**-**	26,547
	421,834	421,833

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

RSR Limited
Registered office: UK
Nature of business: Manufacturing of diagnostic kits

Class of shares:	% holding
Ordinary	100.00

Lotein Limited
Registered office: UK
Nature of business: Lettings of property

Class of shares:	% holding
Ordinary	100.00

Kabushiki Kaisha Cosmic Corporation
Registered office: Japan
Nature of business: Retailers of diagnostic kits

Class of shares:	% holding
Ordinary	85.00

Nippon Smith Yakuhin Kabushiki Kaisha
Registered office: Japan
Nature of business: work on clinical trials of therapeutic products

Class of shares:	% holding
Ordinary	79.00

continued...

13. FIXED ASSET INVESTMENTS - continued

Investment in listed investments is held at cost less adjustment for any impairment losses or gains.

Included in investments of the company were listed investments, valued at market value of £294,456 (2018 - £344,145).

14. INVESTMENT PROPERTY

Group

	Total £
FAIR VALUE	
At 1 October 2018	**18,745,484**
Additions	**7,679,675**
At 30 September 2019	**26,425,159**
NET BOOK VALUE	
At 30 September 2019	**26,425,159**
At 30 September 2018	18,745,484

Company

	Total £
FAIR VALUE	
At 1 October 2018	**16,173,500**
Additions	**7,679,676**
At 30 September 2019	**23,853,176**
NET BOOK VALUE	
At 30 September 2019	**23,853,176**
At 30 September 2018	16,173,500

Properties are held for investment purposes and as such they are not depreciated. Such properties are not held for consumption but for investment and the directors consider that to depreciate them would not give a true and fair view.
The value of the properties, which have been included at a fair value valuation and have been considered by the directors on the yield basis.

continued...

15. STOCKS

	Group	
	2019	2018
	£	£
Stocks	**1,901,743**	1,732,063

16. DEBTORS

	Group		Company	
	2019	2018	**2019**	2018
	£	£	**£**	£
Amounts falling due within one year:				
Trade debtors	**6,599,840**	7,287,100	**83,158**	222,158
Amounts owed by group undertakings	**-**	-	**-**	12,784,488
Other debtors	**1,529,169**	6,154,752	**-**	-
Corporation tax	**272,421**	1,877,791	**272,421**	1,601,609
Due from group associates undertakings	**1,612,243**	1,393,495	**902,853**	142,157
Deferred tax assets	**906,698**	525,984	**-**	-
Prepayments	**664,375**	220,135	**123,721**	110,690
	11,584,746	17,459,257	**1,382,153**	14,861,102
Amounts falling due after more than one year:				
Due from connected company	**7,396,986**	6,592,195	**7,396,986**	6,592,195
Aggregate amounts	**18,981,732**	24,051,452	**8,779,139**	21,453,297

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 fair values.
Included in debtors, amounts owed by connected company and in which the company has common directors (and listed in note 24) totalling £7,396,986 (2018: £6,592,195) is a debt owed by a connected company. This company is currently loss making and has net liabilities on its balance sheet. The company has made no provision against this debt as the directors believes that this company will become profitable and will be able to repay its debt from future profits. Whilst the debt is technically due on demand it will be paid after more than one year due to company support arrangements in place. The company is fully supportive of this connected company and will provide continued financial resources to ensure it becomes profitable.
The loan to the related party has been disclosed at the bank effective rate of 4.25%.(effective rate of 3.18%). The actual interest charged by the company is 3.5%. The carrying value of the loan as at 30th September 2019 would be £7,396,986 and at the end of 4 yrs would be £7,813,031.

continued...

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2019	2018	**2019**	2018
	£	£	**£**	£
Trade creditors	**834,937**	451,733	**40,995**	35,225
Amounts owed to group undertakings	**-**	-	**875,702**	-
Tax	**1,532,059**	314,546	**-**	157,245
Social security and other taxes	**197,799**	171,393	**66,217**	41,757
Other creditors	**2,886,296**	1,747,769	**-**	-
Amounts due to related party	**15,040**	-	**-**	-
Directors' current accounts	**12,514**	12,514	**286**	286
Accruals and deferred income	**370,819**	557,456	**267,992**	152,783
	5,849,464	3,255,411	**1,251,192**	387,296

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 fair values.

18. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Non-cancellable operating leases	
	2019	2018
	£	£
Within one year	**228,519**	228,519
Between one and five years	**914,076**	914,076
In more than five years	**6,170,013**	6,398,532
	7,312,608	7,541,127

19. PROVISIONS FOR LIABILITIES

	Group		Company	
	2019	2018	**2019**	2018
	£	£	**£**	£
Deferred tax	**146,007**	156,657	**146,007**	156,657

continued...

19. **PROVISIONS FOR LIABILITIES - continued**

Group

	Deferred tax £
Balance at 1 October 2018	156,657
Accelerated capital allowances	(1,210)
Tax on losses crystallised	
Gain/(loss) on investments	(9,440)
Tax on capital losses	
Balance at 30 September 2019	146,007

Company

	Deferred tax £
Balance at 1 October 2018	156,657
Accelerated capital allowances	(1,210)
Tax on losses crystallised	
Gain on investments	(9,440)
Tax on capital losses	
Balance at 30 September 2019	146,007

20. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2019 £	2018 £
59,000	Ordinary Shares	£1	59,000	59,000

continued...

21. RESERVES

Group

	Retained earnings £	Revaluation reserve £	Exchange rate reserve £	Revaluation of listed investments £	Totals £
At 1 October 2018	144,251,416	229,188	1,399,441	284,591	146,164,636
Profit for the year	22,311,625				22,311,625
Dividends	(500,320)				(500,320)
Gain on listed investments	49,689	-	-	(49,689)	-
Exchange Rate Differences	-	-	1,107,016	-	1,107,016
At 30 September 2019	166,112,410	229,188	2,506,457	234,902	169,082,957

Company

	Retained earnings £	Revaluation of listed investments £	Totals £
At 1 October 2018	114,218,597	284,591	114,503,188
Profit for the year	20,129,316		20,129,316
Dividends	(500,320)		(500,320)
Gain on listed investments	49,689	(49,689)	-
At 30 September 2019	133,897,282	234,902	134,132,184

22. NON-CONTROLLING INTERESTS

Group

	2019 £	2018 £
As at 1 October 2018	1,720,638	1,485,507
Profit on ordinary activities	(190,371)	116,407
Currency translation differences	204,508	85,352
Share capital adjustment	0	33,372
As at 30 September 2019	1,734,775	1,720,638

continued...

23. CONTINGENT LIABILITIES

Group
Counter Indemnity given by the company's bankers, HSBC bank for £40,000 to H M Customs and Excise.

CONTINGENT ASSETS

Regional Court of Düsseldorf held a guarantee dated 14th November 2016 for EUR 500,000 in connection with the company's claim against a competitor for contravening one of its patents in the manufacture of their products.
This monies were released back to RSR Limited as the court judgement went in favour of RSR Limited. The legal costs have been awarded by the court and are provided for in these accounts. The compensation receivable, if any, has still not yet been determined and therefore no provision has been made for the compensation in these accounts.

24. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following credits to a director subsisted during the years ended 30 September 2019 and 30 September 2018:

	2019	2018
	£	£
Dr B Rees-Smith		
Balance outstanding at start of year	**(12,514)**	(12,514)
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	**(12,514)**	(12,514)

Dr B Rees-Smith received a dividend of £500,320 on the 18th June 2019.

continued...

25. RELATED PARTY DISCLOSURES

Group
Included within debtors/(creditors) due within and more than one year are the following amounts due from/(to) the following companies;

Related party	Relationship	2019 £ Balance at the year end	2018 £ Balance at the year end
AV7 Limited	Common directors	7,396,986	6,592,195
Orchard Field Bentham Limited	Common director	12,170	12,170

Interest charge on the loan to AV7 Limited was £304,791. The loan to Orchard Field Bentham Limited is interest free. Both loans are repayable on demand.

Included in other creditors is £15,040 owed by an connected company to a group undertaking.

Included in debtors are amounts owed by associate companies;

	2019 £	2018 £
Kronus Market Development Associates Inc.	1,296,213	1,196,644
RSR Tianjin Biotech Co Limited	316,030	196,850

The group made the following purchases from the following related parties during the year;

Related party	Relationship	2019 £ Services	2018 £ Services
Orchard Field Bentham Limited	Common director	14,000	10,500

During the year, a total of key management personnel compensation of £ 1,704,793 (2018 - £ 1,265,401) was paid.

26. POST BALANCE SHEET EVENTS

There were no post balance sheet events, other than COVID-19. No adjustment has been found necessary in these accounts as the COVID-19 virus outbreak is considered as a non-adjusting event.

27. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Dr B Rees-Smith.