

Company Registration No. 2454226 (England and Wales)

**IDEXX LABORATORIES LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

# IDEXX LABORATORIES LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr W Blanche Jr	(Appointed 27 April 2018)
	Mr J D Chadbourne	(Appointed 27 April 2018)
	Mr B P McKeon	
	Mr P Tye	
	Ms L J Lu	(Appointed 4 February 2019)
<b>Secretary</b>	Ms L J Lu	
<b>Company number</b>	2454226	
<b>Registered office</b>	Grange House Sandbeck Way Wetherby West Yorkshire England LS22 7DN	
<b>Auditor</b>	Wilkins Kennedy Audit Services The Mill House Boundary Road Loudwater High Wycombe Bucks. United Kingdom HP10 9QN	

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# **IDEXX LABORATORIES LIMITED**

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# **IDEXX LABORATORIES LIMITED**

## **STRATEGIC REPORT**

### ***FOR THE YEAR ENDED 31 DECEMBER 2018***

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The directors present the strategic report for the year ended 31 December 2018.

IDEXX Laboratories UK Ltd. ("the Company") is a fully owned subsidiary of IDEXX Europe BV. and the ultimate parent Company is IDEXX Laboratories Inc.

The Company's main activities include sales & marketing of veterinary diagnostic products, veterinary laboratory services and water diagnostic products.

#### **Fair review of the business**

Net sales for 2018 were £68,675,000 an increase of 5% over 2017.

The Companion Animal Group (CAG) veterinary diagnostics business continued its growth at a slower pace (3% versus 9% in 2017). The UK CAG business continued to place instruments into new practices through 2018 and launched the new SDMA slide in Q1 for use in the Catalyst One machine.

At the same time our laboratory services have seen record sample volumes in the year and sales have also grown dynamically (+6% YoY).

The Livestock, Poultry and Dairy (LPD) segment has seen its contribution stabilised and represent around 5% of the total revenue.

Our water diagnostics business on its side has again delivered strong results, with revenues now raising to £6,880,626 or a growth of 7%.

Net profit (after tax) went up from a profit of £1,375,000 in 2017 to a profit of £2,100,000 in 2018.

The Company has increased the number of personnel in 2018, from 269 in 2017 to a total of 285.

#### **Principal risks and uncertainties**

The Directors have assessed the Company's price, credit and liquidity risks all of which are considered to be low.

The management of the company is monitoring the risk of consequences from Brexit and will develop operational plans to avoid negative business impact.

#### **Future Developments**

For 2019, the business expects to continue the revenue growth as, leveraging the expanded commercial organization and our ongoing product innovation. We continued to partner with Corporate accounts, which form a growing share of our customer portfolio

On behalf of the board

Mr J D Chadbourne

**Director**

30 September 2019

# **IDEXX LABORATORIES LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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The directors present their annual report and financial statements for the year ended 31 December 2018.

### **Principal activities**

The principal activity of the company continued to be that of the distribution and marketing of veterinary diagnostics produces, veterinary laboratory services and water diagnostic products.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr W Blanche Jr	(Appointed 27 April 2018)
Mr J D Chadbourne	(Appointed 27 April 2018)
Mr B P McKeon	
Ms J Studer	(Resigned 4 February 2019)
Mr P Tye	
Mr J R Morton	(Resigned 27 April 2018)
Ms L J Lu	(Appointed 4 February 2019)

### **Results and dividends**

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

### **Disabled persons**

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

### **Employee involvement**

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

### **Auditor**

The auditor, Wilkins Kennedy Audit Services, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

**IDEXX LABORATORIES LIMITED**

**DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2018***

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On behalf of the board

Mr J D Chadbourne  
**Director**

30 September 2019

## **IDEXX LABORATORIES LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 DECEMBER 2018***

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The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

# **IDEXX LABORATORIES LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF IDEXX LABORATORIES LIMITED**

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#### **Opinion**

We have audited the financial statements of IDXX Laboratories Limited (the 'company') for the year ended 31 December 2018 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

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

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

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.



## **IDEXX LABORATORIES LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF IDEXX LABORATORIES LIMITED**

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##### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

##### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

##### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# **IDEXX LABORATORIES LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF IDEXX LABORATORIES LIMITED**

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### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

**Paul Laird (Senior Statutory Auditor)**  
**for and on behalf of Wilkins Kennedy Audit Services**

30 September 2019

### **Statutory Auditor**

The Mill House  
Boundary Road  
Loudwater  
High Wycombe  
Bucks.  
United Kingdom  
HP10 9QN

# IDEXX LABORATORIES LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2018

		2018	2017
	Notes	£	as restated £
<b>Turnover</b>	<b>4</b>	68,674,915	65,355,030
Cost of sales		(49,124,239)	(47,926,113)
<b>Gross profit</b>		19,550,676	17,428,917
Administrative expenses		(16,890,502)	(15,658,713)
<b>Operating profit</b>	<b>5</b>	2,660,174	1,770,204
Interest receivable and similar income	<b>8</b>	1,543	953
Interest payable and similar expenses	<b>9</b>	(58,323)	(61,251)
<b>Profit before taxation</b>		2,603,394	1,709,906
Tax on profit	<b>10</b>	(503,080)	(334,903)
<b>Profit for the financial year</b>		2,100,314	1,375,003

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

# **IDEXX LABORATORIES LIMITED**

## **STATEMENT OF COMPREHENSIVE INCOME**

***FOR THE YEAR ENDED 31 DECEMBER 2018***

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	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Profit for the year</b>	2,100,314	1,375,003
<b>Other comprehensive income</b>	-	-
<b>Total comprehensive income for the year</b>	<u>2,100,314</u>	<u>1,375,003</u>

# IDEXX LABORATORIES LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2018

		2018		2017 as restated	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Goodwill	12		283,180		397,003
Tangible assets	13		8,935,897		8,322,751
Investments	14		1		1
			<u>9,219,078</u>		<u>8,719,755</u>
<b>Current assets</b>					
Debtors	16	10,768,571		9,716,061	
Cash at bank and in hand		45,438		146,365	
		<u>10,814,009</u>		<u>9,862,426</u>	
<b>Creditors: amounts falling due within one year</b>	17	(9,818,900)		(10,308,156)	
<b>Net current assets/(liabilities)</b>			<u>995,109</u>		<u>(445,730)</u>
<b>Total assets less current liabilities</b>			<u>10,214,187</u>		<u>8,274,025</u>
<b>Creditors: amounts falling due after more than one year</b>	18		(714,526)		(900,334)
<b>Provisions for liabilities</b>			-		25,656
<b>Net assets</b>			<u>9,499,661</u>		<u>7,399,347</u>
<b>Capital and reserves</b>					
Called up share capital	22		2		2
Profit and loss reserves			<u>9,499,659</u>		<u>7,399,345</u>
<b>Total equity</b>			<u>9,499,661</u>		<u>7,399,347</u>

The financial statements were approved by the board of directors and authorised for issue on 30 September 2019 and are signed on its behalf by:

Mr J D Chadbourne  
Director

Company Registration No. 2454226

# IDEXX LABORATORIES LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
<b>As restated for the period ended 31 December 2017:</b>				
<b>Balance at 1 January 2017</b>		2	8,024,342	8,024,344
<b>Year ended 31 December 2017:</b>				
Profit and total comprehensive income for the year		-	1,375,003	1,375,003
Dividends	11	-	(2,000,000)	(2,000,000)
<b>Balance at 31 December 2017</b>		2	7,399,345	7,399,347
<b>Year ended 31 December 2018:</b>				
Profit and total comprehensive income for the year		-	2,100,314	2,100,314
<b>Balance at 31 December 2018</b>		2	9,499,659	9,499,661

# **IDEXX LABORATORIES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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### **1 Accounting policies**

#### **Company information**

IDEXX Laboratories Limited is a private company limited by shares incorporated in England and Wales. The registered office is Grange House, Sandbeck Way, Wetherby, West Yorkshire, England, LS22 7DN.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of IDEXX Laboratories Inc. These consolidated financial statements are available from its registered office, One Idexx Drive, Westbrook, Maine 04092, USA.

#### **1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Turnover**

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

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

# IDEXX LABORATORIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 1 Accounting policies

(Continued)

Revenue from the sale of goods is recognised on the effective transfer of control for goods have passed to the buyer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

#### 1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 2 to 20 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

#### 1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Straight line over 7 - 40 years
Leasehold land and buildings	Over the period of the lease
Fixtures and fittings	At varying rates on cost
Computers	Straight line over 3 -7 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.



# IDEXX LABORATORIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 Accounting policies

(Continued)

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### 1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# IDEXX LABORATORIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 Accounting policies

(Continued)

#### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

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

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

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

# IDEXX LABORATORIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 Accounting policies

(Continued)

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic 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 profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 1.9 Taxation

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

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes 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 reporting end date.

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

### 1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

# IDEXX LABORATORIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 Accounting policies

(Continued)

#### 1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.12 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

The fair value of options granted is measured by a Black-Scholes pricing model. The fair value of Restricted Stock Units (RSU's) is measured at the market price at the grant date.

#### 1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### 1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

### 2 Change in accounting policy

During the year the IDEXX group adopted amendments made to ASC606 (US GAAP) and IFRS15 effective 1 January 2018. These amendments relate to contracts with customers which are now recognised on the basis of the transfer of control over goods or services to a customer whereas previously revenue was recognised on the transfer of risks and rewards.

In compliance with section 9 of FRS102, the new revenue recognition policy has been adopted by the company for consistency with the groups consolidated financial statements. The prior period has been restated to reflect the new policy as if it had been in place effective 1 January 2017. The impact to the financial statement of the prior period adjustment is detailed on note 25.

# IDEXX LABORATORIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 3 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 4 Turnover and other revenue

	2018 £	2017 £
<b>Turnover analysed by class of business</b>		
Veterinary diagnostic products	34,985,176	33,593,461
Veterinary laboratory services	26,809,107	25,335,277
Water diagnostic products	6,880,632	6,426,292
	<u>68,674,915</u>	<u>65,355,030</u>
	2018 £	2017 £
<b>Other significant revenue</b>		
Interest income	1,543	953
	<u>1,543</u>	<u>953</u>

The total turnover of the company for the year has been derived from its principle activity wholly undertaken in the UK and Southern Ireland

### 5 Operating profit

	2018 £	2017 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	20,374	(13,124)
Fees payable to the company's auditor for the audit of the company's financial statements	25,200	27,950
Depreciation of owned tangible fixed assets	2,069,845	1,790,651
(Profit)/loss on disposal of tangible fixed assets	(3,100)	17,351
Amortisation of intangible assets	113,823	129,872
Operating lease charges	657,137	565,883
	<u>2,883,279</u>	<u>2,518,683</u>

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £20,374 (2017 - £13,124).

# IDEXX LABORATORIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2018 Number	2017 Number
Directors	1	1
Supply and marketing diagnostic products	72	63
Veterinary laboratory	212	205
	<u>285</u>	<u>269</u>

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	12,228,503	11,022,532
Social security costs	1,236,524	1,164,587
Pension costs	931,828	718,542
	<u>14,396,855</u>	<u>12,905,661</u>

### 7 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	305,582	256,863
Company pension contributions to defined contribution schemes	16,704	12,031
	<u>322,286</u>	<u>268,894</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2017 - 1).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2018 £	2017 £
Remuneration for qualifying services	305,582	256,863
Company pension contributions to defined contribution schemes	16,704	12,031
	<u>322,286</u>	<u>268,894</u>

The highest paid director has exercised share options during the year.

The highest paid director has been entitled to receive shares under a long term incentive scheme during the year.

# IDEXX LABORATORIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 8 Interest receivable and similar income

	2018	2017
	£	£
<b>Interest income</b>		
Interest on bank deposits	1,543	953
	<u>1,543</u>	<u>953</u>

### 9 Interest payable and similar expenses

	2018	2017
	£	£
Other interest on financial liabilities	58,323	61,251
	<u>58,323</u>	<u>61,251</u>

### 10 Taxation

	2018	2017
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	528,736	565,086
Adjustments in respect of prior periods	-	(154,189)
	<u>528,736</u>	<u>410,897</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(25,656)	(75,994)
	<u>(25,656)</u>	<u>(75,994)</u>
<b>Total tax charge</b>	<u>503,080</u>	<u>334,903</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2018	2017
	£	£
Profit before taxation	2,603,394	1,709,906
	<u>2,603,394</u>	<u>1,709,906</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.26%)	494,645	329,277
Tax effect of expenses that are not deductible in determining taxable profit	(14,298)	60,684
Gains not taxable	(589)	-
Group relief	(51,771)	(37,698)
Permanent capital allowances in excess of depreciation	110,430	56,549
Under/(over) provided in prior years	(9,681)	2,085
Deferred taxation movement	(25,656)	(75,994)
	<u>503,080</u>	<u>334,903</u>
<b>Taxation charge for the year</b>	<u>503,080</u>	<u>334,903</u>

# IDEXX LABORATORIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 11 Dividends

	2018 £	2017 £
Interim paid	-	2,000,000

### 12 Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 1 January 2018 and 31 December 2018	2,248,942
<b>Amortisation and impairment</b>	
At 1 January 2018	1,851,939
Amortisation charged for the year	113,823
At 31 December 2018	1,965,762
<b>Carrying amount</b>	
At 31 December 2018	283,180
At 31 December 2017	397,003

### 13 Tangible fixed assets

	Freehold land and buildings	Leasehold land and buildings	Fixtures and fittings	Computers	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2018	3,750,469	608,418	4,831,548	11,173,873	20,364,308
Additions	83,835	6,536	658,936	1,337,511	2,086,818
Disposals	-	-	(428,780)	(5,756)	(434,536)
Transfers	-	-	16,193	615,336	631,529
At 31 December 2018	3,834,304	614,954	5,077,897	13,120,964	22,648,119
<b>Depreciation and impairment</b>					
At 1 January 2018	1,128,964	405,557	3,497,305	7,009,729	12,041,555
Depreciation charged in the year	117,903	57,800	438,622	1,455,520	2,069,845
Eliminated in respect of disposals	-	-	(418,206)	(5,756)	(423,962)
Transfers	-	-	11,875	12,909	24,784
At 31 December 2018	1,246,867	463,357	3,529,596	8,472,402	13,712,222
<b>Carrying amount</b>					
At 31 December 2018	2,587,437	151,597	1,548,301	4,648,562	8,935,897
At 31 December 2017	2,621,505	202,861	1,334,242	4,164,143	8,322,751



# IDEXX LABORATORIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 14 Fixed asset investments

	Notes	2018 £	2017 £
Investments in subsidiaries	15	1	1

#### Movements in fixed asset investments

	Shares in group undertakings
	£
<b>Cost or valuation</b>	
At 1 January 2018 & 31 December 2018	1
<b>Carrying amount</b>	
At 31 December 2018	1
At 31 December 2017	1

### 15 Subsidiaries

Details of the company's subsidiaries at 31 December 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	Indirect
Vet Med Lab (UK) Limited	UK	Veterinary activities	Ordinary	100.00	100.00

### 16 Debtors

	2018 £	2017 £
<b>Amounts falling due within one year:</b>		
Trade debtors	9,694,195	9,137,715
Amounts owed by group undertakings	418,247	170,431
Other debtors	69,030	51,741
Prepayments and accrued income	387,907	292,454
	10,569,379	9,652,341
<b>Amounts falling due after more than one year:</b>		
Prepayments and accrued income	199,192	63,720
<b>Total debtors</b>	10,768,571	9,716,061

# **IDEXX LABORATORIES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**17 Creditors: amounts falling due within one year**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Trade creditors	381,518	110,252
Amounts owed to group undertakings	2,624,800	4,290,549
Corporation tax	128,703	169,397
Other taxation and social security	1,787,298	1,930,605
Other creditors	788,256	504,320
Accruals and deferred income	4,108,325	3,303,033
	<u>9,818,900</u>	<u>10,308,156</u>

**18 Creditors: amounts falling due after more than one year**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Accruals and deferred income	714,526	900,334
	<u>714,526</u>	<u>900,334</u>

**19 Deferred taxation**

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	<b>Liabilities</b>	<b>Liabilities</b>
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Balances:</b>		
Accelerated capital allowances	-	(25,656)
	<u>-</u>	<u>(25,656)</u>
<b>Movements in the year:</b>		<b>2018</b>
		<b>£</b>
Liability/(Asset) at 1 January 2018		(25,656)
Charge to profit or loss		25,656
		<u>-</u>
Liability at 31 December 2018		<u>-</u>

## IDEXX LABORATORIES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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<b>20 Retirement benefit schemes</b>	<b>2018</b>	<b>2017</b>
<b>Defined contribution schemes</b>	<b>£</b>	<b>£</b>
Charge to profit or loss in respect of defined contribution schemes	931,828	718,542
	<u><u>          </u></u>	<u><u>          </u></u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

## **IDEXX LABORATORIES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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#### **21 Share-based payment transactions**

IDEXX Laboratories Inc. provide for various forms of share-based compensation awards to our employees and non-employee directors. The share-based compensation plans allow for the issuance of a mix of stock options, restricted stock, stock appreciation rights, employee stock purchase rights and other stock unit awards. With the exception of stock options, the fair value of our awards is equal to the closing stock price of IDEXX common stock on the date of grant. The fair value of the stock option awards is calculated using the Black-Scholes-Merton option-pricing model. For stock options, restricted stock units (RSUs), and deferred stock units (DSUs), share-based compensation expense is recognized net of estimated forfeitures, on a straight-line basis over the requisite service period of the award for stock options. For performance-based restricted stock units (PBRsUs), share-based compensation expense is recognized net of estimated forfeitures, on a grade-vesting methodology over the requisite service period.

Stock options permit a holder to buy IDEXX stock upon vesting at the stock's price on the date the option was granted. An RSU is an agreement to issue shares of IDEXX stock at the time of vesting. A PBRsUs is an agreement to issues shares of IDEXX stock at the time of vesting upon successful completion of certain performance goals. DSUs are granted under our Executive Deferred Compensation Plan (the Executive Plan) and non-employee Director Deferred Compensation Plan (the Director Plan). DSUs may or may not have vesting conditions depending on the plan under which they are issued.

IDEXX Laboratories Inc. primarily issue shares of common stock to satisfy stock option exercises and employee stock purchase rights and to settle RSUs, PBRsUs, and DSUs. IDEXX Laboratories Inc. issue shares of treasury stock to settle certain RSUs and upon the exercise of certain stock options. The number of shares of common stock and treasury stock issued are equivalent to the number of awards exercised or settled.

With the exception of employee stock purchase rights, equity awards are issued to employees and non-employee directors under the 2009 Stock Incentive Plan (the 2009 Stock Plan). IDEXX Laboratories Inc. Board of Directors has authorised the issuance of 19.9 million shares of common stock under this share-based incentive plan. Any shares that are subject to awards of stock options or stock appreciation rights will be counted against the share limit as one share for every share granted.

Any shares that are issued other than stock options and stock appreciation rights will be counted against the share limit as two shares for every share granted. If any shares issued under our prior plans are forfeited, settled for cash, or expire, these shares, to the extent of such forfeiture, cash settlement or expiration, will again be available for issuance under the 2009 Stock Plan.

Option awards are granted with an exercise price equal to the closing market price of our common stock on the date of grant. Options granted to employees primarily vest ratably over five years on each anniversary of the date of grant and options granted to non-employee directors vest fully on the first anniversary of the date of grant. Vesting of option awards issued is conditional based on continuous service. Options granted after May 8, 2013 have a contractual term of ten years, options granted between January 1, 2006 and May 8, 2013 have contractual terms of seven years and options granted prior to January 1, 2006 had contractual terms of ten years. Upon any change in control of the company, 25 percent of the unvested stock options then outstanding will vest and become exercisable. However, if the acquiring entity does not assume outstanding options, then all options will vest immediately prior to the change in control.

The total value of the existing options and RSU's are not considered to be material to the accounts and hence have not been recognised.

# IDEXX LABORATORIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 22 Share capital

	2018	2017
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
2 Ordinary of £1 each	2	2
	<u>2</u>	<u>2</u>

### 23 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018	2017
	£	£
Within one year	218,429	296,361
Between two and five years	459,857	570,944
	<u>678,286</u>	<u>867,305</u>

### 24 Ultimate controlling party

The company was controlled throughout the current and previous year by its immediate parent company, IDEXX Europe BV, a company incorporated in the Netherlands. The ultimate parent company is IDEXX Laboratories Inc. a company incorporated in the USA. Copies of the group accounts incorporating the result of the company are available from IDEXX Laboratories Inc. One Idexx Drive, Westbrook, Maine 04092, USA.

### 25 Prior period adjustment

During the year the IDEXX group adopted amendments made to ASC606 (US GAAP) and IFRS15 effective 1 January 2018. These amendments relate to contracts with customers which are now recognised on the basis of the transfer of control over goods or services to a customer whereas previously revenue was recognised on the transfer of risks and rewards.

In compliance with section 9 of FRS102, the new revenue recognition policy has been adopted by the company for consistency with the groups consolidated financial statements. The prior period has been restated to reflect the new policy as if it had been in place effective 1 January 2017. The impact to the financial statement of the prior period adjustment is detailed on note 25.

#### Changes to the balance sheet

	At 31 December 2017		
	As previously reported	Adjustment	As restated
	£	£	£
<b>Current assets</b>			
Debtors due within one year	9,617,804	98,257	9,716,061
<b>Creditors due within one year</b>			
Taxation	(2,254,191)	154,189	(2,100,002)
Other creditors	(7,889,019)	(319,135)	(8,208,154)
<b>Creditors due after one year</b>			
Other creditors	(309,694)	(590,640)	(900,334)

# IDEXX LABORATORIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 25 Prior period adjustment

(Continued)

	At 31 December 2017		
	As previously reported	Adjustment	As restated
Net assets	8,056,676	(657,329)	7,399,347
<b>Capital and reserves</b>			
Profit and loss	8,056,674	(657,329)	7,399,345

### Changes to the profit and loss account

	Period ended 31 December 2017		
	As previously reported £	Adjustment £	As restated £
Turnover	66,264,805	(909,775)	65,355,030
Cost of sales	(48,024,370)	98,257	(47,926,113)
Taxation	(489,092)	154,189	(334,903)
Profit after taxation	2,032,332	(657,329)	1,375,003

### Reconciliation of changes in equity

	1 January 2017 Notes £	31 December 2017 £
Equity as previously reported	8,024,344	8,056,676
<b>Adjustments to prior year</b>		
Increase in current accruals and deferred income	-	(319,135)
Increase in non current accruals and deferred income	-	(590,640)
Increase in current prepayments	-	34,537
Increase in non current prepayments	-	63,720
Decrease in corporation tax liability	-	154,189
Equity as adjusted	8,024,344	7,399,347

## IDEXX LABORATORIES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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25	Prior period adjustment	(Continued)
Reconciliation of changes in profit for the previous financial period		
	Notes	2017 £
Profit as previously reported		2,032,332
Adjustments to prior year		
Increase in current accruals and deferred income		(319,135)
Increase in non current accruals and deferred income		(590,640)
Increase in current prepayments		34,537
Increase in non current prepayments		63,720
Decrease in corporation tax liability		154,189
Profit as adjusted		<u>1,375,003</u>

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