Registered number: NI608013

Randox Toxicology Ltd

Unaudited

Directors' report and financial statements

For the year ended 31 December 2017

Randox Toxicology Ltd

Contents

Randox Toxicology Ltd

Company information

Directors	Dr. Peter Fitzgerald Ivan McConnell
Registered number	NI608013
Registered office	55 Diamond Road Crumlin County Antrim BT29 4QY
Chartered Accountants	PricewaterhouseCoopers LLP Chartered Accountants Waterfront Plaza 8 Laganbank Road Belfast BT1 3LR
Bankers	Danske Bank 42 High Street Antrim BT41 4AP
Solicitors	Tughans Marlborough House 30 Victoria Street Belfast BT1 3GG

Directors' report
For the year ended 31 December 2017

The directors present their report and the unaudited financial statements of the company for the year ended 31 December 2017.

Principal activities

The trading activities of the company are the supply of invitro diagnostic equipment to the toxicology industry.

Results

The profit for the year, after taxation, amounted to £294,051 (2016 - £483,739).

Directors

The directors who served during the year and up to the date these financial statements were signed:

Dr. Peter Fitzgerald
Ivan McConnell

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

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

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

Directors' report (continued)
For the year ended 31 December 2017

Small companies' exemption

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006

This report was approved by the board on 6 July 2018 and signed on its behalf.

Dr. Peter Fitzgerald
Director

Randox Toxicology Ltd

Chartered Accountants' report to the directors on the preparation of the unaudited statutory financial statements of Randox Toxicology Ltd (the "Company") for the year ended 31 December 2017

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the company's financial statements for the year ended 31 December 2017 as set out on pages 5 to 20 from the company's accounting records and from information and explanations you have given us.

As a member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at icaew.com/ regulations. This report is made solely to the company's board of directors, as a body, in accordance with the terms of our engagement letter dated 9 February 2018. Our work has been undertaken solely to prepare for your approval the company's financial statements and state those matters that we have agreed to state to the company's board of directors, as a body, in accordance with Audit and Assurance Faculty Technical Release 2/10 (AAF 02/10) as detailed at icaew.com/compilation. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and its board of directors as a body for our work or for this report.

It is your duty to ensure that the company has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of the company. You consider that the company is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the company's financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants
Waterfront Plaza
8 Laganbank Road
Belfast
BT1 3LR

Date: 09/03/2018

Randox Toxicology Ltd

Statement of income and retained earnings
For the year ended 31 December 2017

	Note	2017 £	2016 £
Turnover	3	**7,824,301**	6,171,156
Cost of sales		**(6,687,138)**	(4,920,170)
Gross profit		**1,137,163**	1,250,986
Administrative expenses		**(824,803)**	(736,567)
Other operating income		**50,166**	39,988
Operating profit	8	**362,526**	554,407
Interest payable and similar charges	9	**(2,965)**	(4,190)
Profit on ordinary activities before taxation		**359,561**	550,217
Tax on profit on ordinary activities	10	**(65,510)**	(66,478)
Profit for the financial year		**294,051**	483,739
Retained earnings at the beginning of the year		**2,222,002**	1,738,263
		2,222,002	1,738,263
Profit for the financial year		**294,051**	483,739
Retained earnings at the end of the year		**2,516,053**	2,222,002

The company has no other items of comprehensive income and so no statement of other comprehensive income has been presented.

The notes on pages 7 to 20 form part of these financial statements.

Randox Toxicology Ltd
Registered number: NI608013

Balance sheet
As at 31 December 2017

	Note		2017 £		2016 £
Fixed assets					
Intangible assets	11		**709,544**		545,478
Tangible assets	12		**431,289**		245,522
			1,140,833		791,000
Current assets					
Stocks	13	**695**		936	
Debtors: amounts falling due within one year	14	**8,024,042**		4,200,489	
Cash at bank and in hand	15	**276,505**		495,827	
		8,301,242		4,697,252	
Creditors: amounts falling due within one year	16	**(6,817,150)**		(3,184,473)	
Net current assets			**1,484,092**		1,512,779
Total assets less current liabilities			**2,624,925**		2,303,779
Provisions for liabilities					
Deferred tax	18	**(108,772)**		(81,677)	
			(108,772)		(81,677)
Net assets			**2,516,153**		2,222,102
Capital and reserves					
Called up share capital	20		**100**		100
Profit and loss account	19		**2,516,053**		2,222,002
			2,516,153		2,222,102

For the year ended 31 December 2017 the Company is entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 6 July 2018.

Dr. Peter Fitzgerald
Director
The notes on pages 7 to 20 form part of these financial statements.

Notes to the financial statements
For the year ended 31 December 2017

1. General information

The company's principal activities are the supply of invitro diagnostic equipment to the toxicology industry.

The company is a private limited company by shares and is incorporated and domiciled in the UK. The address of the registered office is 55 Diamond Road, Crumlin, County Antrim, BT29 4QY.

2. Statement of compliance

The individual financial statements of Randox Toxicology Ltd have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. Accounting policies

3.1 Basis of preparation of financial statements

These financial statements are prepared on a going concern basis, under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies (note 4).

3.2 Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the company's shareholders.

The company has taken advantage of the following exemptions:

- from preparing a statement of cash flows, required under Section 7 of FRS 102 and para 3.17(d), on the basis that it is a small company;
- from disclosing the company's key management personnel compensation as required by FRS 102 para 33.7; and
- from disclosing related party transactions that are wholly owned within the same group under paragraph 33.1A from the provisions of FRS 102, on the grounds that at 31 December 2017 it was a wholly owned subsidiary.

3. Accounting policies (continued)

3.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to Statement of income and retained earnings during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method The estimated useful lives range as follows.

Depreciation is provided on the following basis:

Fixtures and fittings	-	20%
Analysers	-	20%
Daytona	-	20%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

3.4 Intangible assets

Development expenditure

Development expenditure relating to diagnostic products manufactured by the company is written off as incurred, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is capitalised and amortised over the period during which the company is expected to benefit. This period is typically three years. Provision is made for any impairment.

Capitalised development costs include external direct costs of material and services together with direct labour costs and overheads relating to development expenditure. Development costs that are directly attributable to the design and testing of identifiable and unique products controlled by the company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the product so that it will be available for use;
- management intends to complete the product and use or sell it;
- there is an ability to use or sell the product;
- it can be demonstrated how the product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the product are available; and
- the expenditure attributable to the product during its development can be reliably measured.

Other development costs that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

3. Accounting policies (continued)

3.5 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the standard cost method. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow moving or defective items where appropriate.

At the end of each reporting period stock is assessed for impairment. If an item of stock is impaired, the identified stock is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the Statement of income and retained earnings. Where a reversal of the impairment is required the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the Statement of income and retained earnings.

3.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

3.7 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

3.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

3.9 Government grants

Capital based grants on tangible fixed assets are shown as deferred income and credited to the statement of income and retained earnings by installments on a basis consistent with the depreciation policy of the relevant assets.

Grants relating to revenue expenditure are credited to the statement of income and retained earnings on an earned and due for payment basis.

3.10 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the company and value added taxes.

Where the consideration receivable in cash or cash equivalents is deferred, and the arrangement constitutes a financing transaction, the fair value of the consideration is measured as the present value of all future receipts using the imputed rate of interest

The company recognises revenue when (i) the significant risks and rewards of ownership have been transferred to the buyer; (ii) the company retains no continuing involvement or control over the goods; (iii) the amount of revenue can be measured reliably; and (iv) it is probable that future economic benefits will flow to the company.

3. Accounting policies (continued)

3.11 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

3.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of income and retained earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

3. Accounting policies (continued)

3.14 Foreign currency translation

(i) Functional and presentation currency

The company's functional and presentational currency is GBP.

(ii) Transactions and balances

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 rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of income and retained earnings.

3.15 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

i) at fair value with changes recognised in the Statement of income and retained earnings if the shares are publicly traded or their fair value can otherwise be measured reliably;

ii) at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

3. Accounting policies (continued)

3.15 Financial instruments (continued)

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an 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

3.16 Borrowing costs

All borrowing costs are recognised in the Statement of income and retained earnings in the year in which they are incurred.

4. Critical accounting judgements and estimation uncertainty

In the application of the company's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the amounts of assets, liabilities, revenue and expenses reported in the financial statements. Actual amounts and results may differ from those estimates.

The Directors regularly evaluate the estimates and judgements Any revisions to accounting estimates are recognised in the period in which the estimates is revised if the revision affects only that period or prior periods, or in the period of the revision and future periods if the revision affects both current and future periods.

The key accounting judgements and estimates included in the company's financial statements are discussed below.

(a) Critical judgements in applying the entity's accounting policies

Capitalisation of intangible assets

The company capitalises development costs relating to the development of the company's products, where the costs meet the recognition criteria FRS 102. Judgement is required in applying the capitalisation criteria of FRS 102 and determining the point at which the qualifying criteria are met, differentiating between development and research, and in assessing an expected useful life of the resulting development expenditure including an assessment of when capitalised expenditure is impaired. These judgements have a significant impact on the recognition of intangible assets.

During the year £455,949 was capitalised relating to development expenditure. In establishing the principles on which the costs are capitalised, the Directors have reviewed the nature of work being performed under the different phases of the project and the nature of the associated deliverables against the capitalisation criteria of FRS 102 and have identified the activities through the life of the project where the related costs should be expensed through the income statement.

(b) Key accounting estimates and assumptions

Intangible asset impairment

Intangible assets are amortised. The company's reviews their carrying amount at each balance sheet date or if events occur which call into question the carrying values of the assets.

The assumption relating to future cash flows, estimated useful lives and discount rates are based on business forecasts and therefore inherently include an element of management judgement. Future events could cause the assumptions used in these impairments tests to change which may in turn mean future impairment charges to be recognised.

5. Turnover

A geographical analysis of turnover and profits before taxation has been omitted because, in the opinion of the directors, the disclosure of such information would be seriously prejudicial to the interests of the company.

6. Staff costs

Staff costs (including amounts capitalised) were as follows:

	2017 £	2016 £
Wages and salaries	**751,829**	595,287
Social security costs	**72,937**	56,656
Cost of defined contribution scheme	**9,963**	5,363
	834,729	657,306

Staff costs (including amounts capitalised) were as follows:

	2017 Number	2016 Number
Sales and marketing	**12**	12
Research and development	**14**	15
	26	27

7. Directors' remuneration

No directors received remuneration for their services to the company. Their remuneration is paid by other related companies (2016 - £Nil). The directors represent key management personnel.

8. Operating profit

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

	2017 £	2016 £
Depreciation of tangible fixed assets	**114,958**	91,938
Amortisation of intangible fixed assets	**140,848**	121,983
Foreign exchange gain	**(6,901)**	(26,061)
Revenue grant	**-**	(45,607)
Research and development expenditure credit	**(50,166)**	(39,988)

9. Interest payable and similar charges

	2017 £	2016 £
Bank charges	**2,965**	4,190

10. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	**38,415**	37,511
Adjustment in respect of previous periods	**-**	8,157
Total current tax	**38,415**	45,668
Deferred tax		
Origination and reversal of timing differences	**30,788**	28,460
Adjustment in respect of previous periods	**(99)**	-
Effects of changes in tax rates	**(3,594)**	(7,650)
Total deferred tax	**27,095**	20,810
Taxation on profit on ordinary activities	**65,510**	66,478

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before taxation	**359,561**	550,217
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	**69,203**	110,043
Effects of:		
Expenses not deductible	**-**	1,836
Adjustment from previous periods	**(99)**	8,157
Income not taxable	**-**	(495)
Tax rate changes	**(3,594)**	(7,649)
Effects of group relief/other relief	**-**	(45,414)
Total tax charge for the year	**65,510**	66,478

11. Intangible assets

	Development expenditure £
Cost	
At 1 January 2017	**1,006,625**
Additions	**455,949**
Disposals	**(151,035)**
At 31 December 2017	**1,311,539**
Accumulated amortisation	
At 1 January 2017	**461,147**
Charge for the year	**140,848**
At 31 December 2017	**601,995**
Net book value	
At 31 December 2017	**709,544**
At 31 December 2016	545,478

12. Tangible assets

	Fixtures and fittings £	Analysers £	Daytona £	Total £
Cost				
At 1 January 2017	**4,451**	**438,998**	**14,214**	**457,663**
Additions	**-**	**300,725**	**-**	**300,725**
Disposals	**-**	**-**	**(1,092)**	**(1,092)**
At 31 December 2017	**4,451**	**739,723**	**13,122**	**757,296**
Accumulated depreciation				
At 1 January 2017	**2,825**	**204,725**	**4,591**	**212,141**
Charge for the year	**890**	**111,444**	**2,624**	**114,958**
Disposals	**-**	**-**	**(1,092)**	**(1,092)**
At 31 December 2017	**3,715**	**316,169**	**6,123**	**326,007**
Net book value				
At 31 December 2017	**736**	**423,554**	**6,999**	**431,289**
At 31 December 2016	1,626	234,273	9,623	245,522

13. Stocks

	2017 £	2016 £
Finished goods	**695**	936

14. Debtors

	2017 £	2016 £
Due within one year		
Trade debtors	**1,173,969**	514,206
Amounts owed by group undertakings	**6,827,085**	3,675,079
Other debtors	**22,988**	11,204
	8,024,042	4,200,489

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

15. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	**276,505**	495,827
Less: bank overdrafts	**(205)**	(473)
	276,300	495,354

16. Creditors: amounts falling due within one year

	2017 £	2016 £
Bank overdrafts	**205**	473
Trade creditors	**171,656**	38,600
Amounts owed to group undertakings	**6,581,164**	3,114,129
Other taxation and social security	**24,835**	23,919
Other creditors	**-**	881
Accruals and deferred income	**39,290**	6,471
	6,817,150	3,184,473

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

17. Financial instruments

	2017 £	2016 £
Financial assets		
Cash at bank and in hand	**276,505**	495,827
Trade debtors	**1,173,969**	514,206
Amounts owed by group undertakings	**6,827,085**	3,675,079
Other debtors	**-**	47
	8,277,559	4,685,159

	2017 £	2016 £
Financial liabilities		
Bank overdrafts	**(205)**	(473)
Trade creditors	**(171,656)**	(38,600)
Amounts owed to group undertakings	**(6,581,164)**	(3,114,129)
Other creditors	**-**	(881)
Accruals and deferred income	**(39,290)**	(6,471)
	(6,792,315)	(3,160,554)

18. Deferred taxation

	2017 £
At 1 January 2017	**(81,677)**
Charged to the Statement of income and retained earnings	**(27,194)**
Adjustment in respect of prior years	**99**
At 31 December 2017	**(108,772)**

The provision for deferred taxation is made up as follows:

	2017 £
Fixed asset timing differences	**(108,772)**

19. Reserves

Profit and loss account

The profit and loss account reserve represents the accumulated profits, losses and distributions of the company.

20. Called up share capital

	2017 £	2016 £
Allotted and fully paid		
100 (2016: 100) ordinary shares of £1 each	**100**	100

21. Pension commitments

The company operates a defined contribution pension scheme in respect of certain employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £9,928 (2016. £5,363).

22. Contingent liabilities

The company is a participant in a group banking arrangement under which all surplus cash balances are held as collateral for bank facilities advanced to group members. In addition, the company has issued an unlimited guarantee to the bank to support these group facilities.

23. Related party transactions

The company has taken advantage of the exemption within FRS 102, not to disclose transactions with its parent company Randox Holdings Limited or other group companies.

24. Ultimate controlling party

The ultimate controlling party and ultimate parent company is Randox Holdings Limited, a company registered in Northern Ireland and based at Ardmore, 55 Diamond Road, Crumlin, County Antrim, BT29 4QY. The smallest and largest group in which the results of the company are consolidated is that headed by Randox Holdings Limited. Copies of the financial statements of Randox Holdings Limited are available from the Registrar of Companies, Second Floor, The Linenhall, 32-38 Linenhall Street, Belfast, Northern Ireland, BT2 8BG.