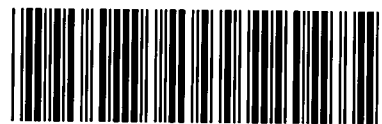


Immunodiagnostic Systems Limited

FINANCIAL STATEMENTS

for the year ended
31 March 2015

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Immunodiagnostic Systems Limited

FINANCIAL STATEMENTS

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Immunodiagnostic Systems Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Mr C P Lacalle Zando

Mrs N Trewin

Mr B Wittek

REGISTERED OFFICE

10 Didcot Way

Boldon Business Park

Boldon

Tyne & Wear

NE35 9PD

AUDITOR

Ernst & Young LLP

Citygate

St James' Boulevard

Newcastle upon Tyne

NE1 4JD

BANKERS

Barclays Bank PLC

PO Box 378

71 Grey Street

Newcastle upon Tyne

NE99 7JP

SOLICITORS

Covington & Burling LLP

265 Strand

London

WC2R 1BH

Immunodiagnostic Systems Limited

STRATEGIC REPORT

The directors present their strategic report for the year ended 31 March 2015.

PRINCIPAL ACTIVITY

The principal activity of the Company during the year was that of manufacturing and distributing medical diagnostic products. The Company is also actively involved in research and development projects.

REVIEW OF THE BUSINESS

Turnover decreased by 15.5% to £28,324,597, as a result of increased competition in all the key markets, with continued significant decline in the sale of manual vitamin D products and declining automated revenues, predominantly related to vitamin D products. Gross margin improved by 3.6% to 45.8% due to increased royalty income.

We continue to monitor and manage our exposure to external pressures that may affect our performance by monitoring our customer and key supplier contracts as well as looking to mitigate any exchange risk. Our gross margin has decreased due to the change in our sales mix, with royalty income now forming a larger proportion of total revenue.

There are of course always risks associated with a business and as the in-vitro diagnostic market develops there is the possibility of increasing competition from larger companies with greater financial and other resources than those directly available to the Company. The Directors are aware of this and continue to work closely with these larger companies in an attempt to make them customers for the Company's products rather than direct competitors.

Our progress on our strategic objectives is monitored by reference to key performance indicators. The Company's performance for 2015 and 2014 is shown in the table below:

Financial KPI	2015	2014	Variance
Annual decrease in sales:	-15.5%	-1.1%	-14.4%
Gross margin	45.8%	42.2%	3.6%

PRINCIPAL RISKS

FINANCIAL RISK

The Company's financial instruments comprise cash and group balances. The Company has various other financial instruments, such as trade debtors and creditors that arise directly from its operations, which have been excluded from the disclosures, other than the currency disclosures.

Immunodiagnostic Systems Limited

STRATEGIC REPORT

The main risks arising from the Company's financial instruments are interest rate risk, liquidity risk and foreign currency risk. The policies for managing these are regularly reviewed and agreed by the Board.

It is, and has been throughout the year under review, the Company's policy that no trading in financial instruments shall be undertaken.

Interest rate risk

The Company finances its operations by retained profits. The Company's policy on interest rate management is agreed at Board level and is reviewed on an ongoing basis. There is no borrowing as at 31 March 2015.

Liquidity / cash flow risk

As regards liquidity, the Company's policy throughout the year has been to ensure continuity of funding by means of generated funds supported by the Company's bankers and raising capital. The Company is cash positive in its operating activities and is expected to be for the foreseeable future. Facilities are reviewed regularly by the Board, which will consider carefully liquidity risk for any future acquisitions. Short term flexibility is achieved by overdraft facilities.

Foreign currency risk

The Company has subsidiaries, which operate in the USA and continental Europe. Their revenues and expenses are denominated substantially in US dollars and euros. Excess currency is transferred back to the Company's ultimate parent regularly and translated into sterling, to avoid unnecessary exposure.

PRICE RISK

The Company operates in a competitive market and as such regularly monitors market price as well as average selling prices achieved by product.

CREDIT RISK

The Company regularly reviews its debtors and has procedures in place to ensure debts are actively collected on a timely basis, according to the terms in place with particular customers.

LEGAL AND REGULATORY RISK

The company operates in a sector which is highly regulated . It seeks to reduce this risk by ensuring that there are policies and procedures in place that foster quality as a number one priority and training is in place to ensure compliance is understood.

SUPPLY RISK

The company is reliant on certain key suppliers of raw materials , components and packaging. The company seeks contractual relationships with these suppliers to ensure continuity of supply and where possible seeks alternative suppliers or increased inventories for critical items.

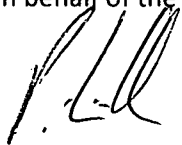
Immunodiagnostic Systems Limited

STRATEGIC REPORT

ROYALTY INCOME RISK

The Company receives a significant proportion of its revenue from royalty derived from one partner. It is expected that this will continue, however it may be eroded over the medium term. The Company is seeking to diversify its revenue streams to mitigate this risk.

On behalf of the board



Mr C P Lacalle Zando

Director

14 December 2015

Immunodiagnostic Systems Limited

DIRECTORS' REPORT

The Directors submit their report for the year ended 31 March 2015.

DIVIDENDS

No interim dividend was paid during the year. The Directors have not recommended the payment of a final dividend.

RESEARCH AND DEVELOPMENT

The Company believes that having the most comprehensive panel of bone, growth and hypertension markers supported where possible by IP rights will generate a significant competitive advantage. Our R&D programme continues to concentrate on the introduction of new analytes as well as developing our existing clinical range of markers onto the IDS-iSYS system. Increasing the automated assay panel via new launches is one of the Company's key strategic pillars.

FUTURE DEVELOPMENTS

The Company exists in a global, competitive environment with a changing technological landscape. It will continue to produce improved versions of its existing products as well as looking to automate other products, including new products acquired through the Dia.metra acquisition. The marked decline in the manual 25 OH Vitamin D market has continued to adversely impact financial performance. It is expected that these conditions will continue to affect the business in the short term.

DIRECTORS

The Directors who served the Company during the year, and to date of approval of the financial statements, were as follows:

Mr P O Dahlen (resigned on 4 January 2015)

Mr C H F Yates (resigned on 30 June 2015)

Mr C P Lacalle Zando (appointed on 15 April 2015)

Mrs N Trewin (appointed on 4 August 2015)

Mr B Wittek (appointed 11 February 2015)

AUDITORS

Ernst & Young LLP were Company auditors during the year, and a resolution to reappoint Ernst & Young LLP as auditors will be put to members at the Annual General Meeting

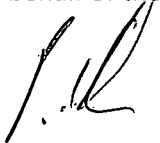
Immunodiagnostic Systems Limited

DIRECTORS' REPORT

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the Directors have confirmed that they have taken all the steps they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

On behalf of the board



Mr C P Lacalle Zando

Director

14 December 2015

Immunodiagnostic Systems Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The Directors are responsible for preparing the Directors' Report and Strategic 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 those financial statements, the Directors are required to:

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

Immunodiagnostic Systems Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IMMUNODIAGNOSTIC SYSTEMS LIMITED

We have audited the financial statements of Immunodiagnostic Systems Limited for the year ended 31 March 2015 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 29. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of Directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 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.
-

Immunodiagnostic Systems Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

IMMUNODIAGNOSTIC SYSTEMS LIMITED

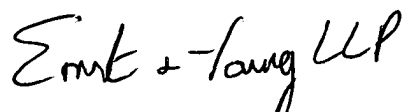
Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Matters on which we are required to report by exception

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

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



Mark Harvey (Senior Statutory Auditor)

For and on behalf of Ernst & Young LLP, Statutory Auditor

Edinburgh

14 December 2015

Immunodiagnostic Systems Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2015

	Notes	2015 £	2014 £
TURNOVER	2	28,324,597	33,521,592
Cost of sales		<u>15,352,219</u>	<u>19,364,361</u>
Gross profit		12,972,378	14,157,231
Distribution costs		699,641	669,633
Administrative expenses		<u>8,162,716</u>	<u>9,040,358</u>
OPERATING PROFIT	3	4,110,021	4,447,240
Interest receivable and similar income	7	<u>674,891</u>	<u>708,414</u>
		4,784,912	5,155,654
Interest payable and similar charges	8	-	50,608
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>4,784,912</u>	<u>5,105,046</u>
Taxation	9	427,876	594,586
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>4,357,036</u>	<u>4,510,460</u>

The operating profit for the year arises from the Company's continuing operations.

There were no recognised gains and losses other than those shown above.

Immunodiagnostic Systems Limited

Company Registration No. 03141527

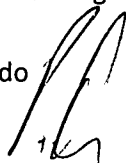
BALANCE SHEET

as at 31 March 2015

	Notes	2015 £	2014 £
FIXED ASSETS			
Intangible assets	10	705,455	791,581
Tangible assets	11	1,331,981	1,366,224
Investments	12	4,074,143	852,177
		<u>6,111,579</u>	<u>3,009,982</u>
CURRENT ASSETS			
Stocks	13	3,001,127	3,012,527
Debtors due within one year	14	3,180,780	2,891,642
Debtors due after one year	14	27,820,456	26,204,837
Cash at bank and in hand		623,943	635,559
		<u>34,626,306</u>	<u>32,744,565</u>
CREDITORS			
Amounts falling due within one year	15	2,233,191	1,669,846
NET CURRENT ASSETS		<u>32,393,115</u>	<u>31,074,719</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>38,504,694</u>	<u>34,084,701</u>
CREDITORS			
Amounts falling due after more than one year	16	57,000	57,000
		<u>38,447,694</u>	<u>34,027,701</u>
PROVISIONS FOR LIABILITIES			
Deferred Tax	18	36,930	410
Provision	19	500,000	500,000
Government grants	20	8,639	11,688
		<u>37,902,125</u>	<u>33,515,603</u>
CAPITAL AND RESERVES			
Called up share capital	24	139,666	139,666
Share premium account	25	577,170	577,170
Other reserves	25	5,829	5,829
Capital contribution from Immunodiagnostic Systems Holdings PLC	25	-	5,711
Profit and loss account	26	37,179,460	32,787,227
SHAREHOLDERS' FUNDS	27	<u>37,902,125</u>	<u>33,515,603</u>

These financial statements were approved by the board of Directors and authorised for issue on 14 December 2015 and are signed on their behalf by:

Mr C P Lacalle Zando
Director



Immunodiagnostic Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

1. ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with United Kingdom Accounting Standard and the requirements of the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

GOING CONCERN

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

CASH FLOW STATEMENT

The directors have taken advantage of the exemption in FRS 1(revised) from including a statement of cash flows in the financial statements on the grounds that the company is wholly owned and its parent publishes group financial statements, which include a group statement of cash flows.

FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

CONSOLIDATION

The Company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the EU and in accordance with section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated accounts. The accounts present information about the Company as an individual undertaking and not about its group.

TURNOVER

The turnover shown in the profit and loss account represents amounts receivable during the year, exclusive of Value Added Tax.

RESEARCH AND DEVELOPMENT

Expenditure on research and development incurred in the year other than on fixed assets is charged against profits.

Immunodiagnostic Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

1. ACCOUNTING POLICIES (CONTINUED)

AMORTISATION

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Patents/Product technology	20 years straight line or over the life of the patent if less
Assets under construction	not amortised until ready for use

FIXED ASSETS

All fixed assets are initially recorded at cost.

DEPRECIATION

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property	over the life of the lease
IDS iSYS instruments	over 7 years
Fixtures, Fittings & Equipment	over 5 years
Motor Vehicles	over 5 years

STOCKS

Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost comprises direct material costs and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. For inventories that are ordinarily interchangeable, cost is calculated using the weighted average method. Net realisable value is based on estimated selling price less all estimated completion and selling costs to be incurred.

Work in progress is valued on the basis of direct costs plus attributable overheads based on a normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of the work in progress.

OPERATING LEASE AGREEMENTS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

PENSION COSTS

The Company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Company. The annual contributions payable are charged to the profit and loss account.

Immunodiagnostic Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

1. ACCOUNTING POLICIES (continued)

DEFERRED TAXATION

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 Company'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.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences arising from operating activities are taken into account in arriving at operating profit, those arising from finance arrangements are included as part of interest receivable or payable, as appropriate.

SUBSIDIARY UNDERTAKINGS

Subsidiary undertakings are entities in which the Company holds a long term controlling equity interest.

The investments are shown at cost less any appropriate diminution in value.

ASSOCIATED UNDERTAKINGS

Associated undertakings are entities in which the Company holds a long term minority equity interest, and over which it exerts a significant influence. The investments are shown at cost less any appropriate diminution in value.

DEFERRED INCOME - GOVERNMENT GRANTS

Deferred government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate.

Immunodiagnostic Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

1. ACCOUNTING POLICIES (CONTINUED)

SHARE-BASED PAYMENTS

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. The Company's parent company issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest.

The fair value is measured by the use of the Black-Scholes option pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effect of non-transferability, exercise restrictions, and behavioural considerations.

A liability equal to the portion of the goods or services received is recognised by the parent company at the current fair value determined at each balance sheet date for cash-settled share-based payments. The equivalent amount is recognised by the Company in equity as a capital contribution from parent. Changes in fair value are recognised through the profit and loss account.

All equity-settled share-based payments are ultimately recognised as an expense in the profit and loss account with a corresponding credit to reserves.

If vesting periods or other non-market vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting.

2. TURNOVER

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

	2015	2014
	£	£
United Kingdom	1,867,676	1,951,029
Overseas	<u>26,456,921</u>	<u>31,570,563</u>
	<u>28,324,597</u>	<u>33,521,592</u>

Immunodiagnostic Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2015 £	2014 £
Amortisation of government grants re fixed assets (note 20)	(3,049)	(3,050)
Amortisation of intangible fixed assets	259,750	221,475
Research and development expenditure	2,861,510	3,533,683
(Profit)/loss on disposal of owned property, plant and equipment	(4,000)	31,478
Depreciation of owned fixed assets	433,635	618,478
Amounts payable to Ernst & Young LLP:		
- Statutory audit	32,500	31,500
- VAT compliance services	5,350	-
Operating lease costs:		
- Land and buildings	231,568	179,217
- Plant and equipment	7,689	12,598
- Vehicles	21,234	16,718
Net loss on foreign currency translation	1,595	362,811

4. DIVIDENDS

No dividend was paid during the year (2014: £3,000,000).

5. PARTICULARS OF EMPLOYEES

The average number of staff employed by the Company during the financial year amounted to:

	2015	2014
Production staff	49	45
Distribution staff	6	5
Research and development staff	15	23
Administrative staff	7	6
	<u>77</u>	<u>79</u>

With effect from the year ended 31 March 2014, the payroll costs of 23 employees in Group departments are included in the accounts of the parent company Immunodiagnostic Systems Holdings PLC. These employees are excluded from the above numbers, even though they are legally employed by the Company.

Immunodiagnostic Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

5. PARTICULARS OF EMPLOYEES (CONTINUED)

The aggregate payroll costs of the above were:

	2015	2014
	£	£
Wages and salaries	2,463,420	2,583,226
Social security costs	254,481	258,647
Other pension costs	76,937	60,696
	<u>2,794,838</u>	<u>2,902,568</u>

6. DIRECTORS' EMOLUMENTS

No Director received any remuneration from this Company for their services as a Director during the year. The Directors are also directors of the ultimate parent undertaking Immunodiagnostic Systems Holdings Plc. The total remuneration received by directors of the ultimate parent is disclosed in that company's accounts. The directors of Immunodiagnostic Systems Holdings Plc do not believe it is practicable to apportion this amount between services as directors of the ultimate parent company and their services as directors of fellow subsidiary undertakings.

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2015	2014
	£	£
Intercompany interest receivable	671,798	699,278
Bank interest receivable	3,093	9,136
	<u>674,891</u>	<u>708,414</u>

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2015	2014
	£	£
Other similar charges payable	-	50,608
	<u>-</u>	<u>50,608</u>

Immunodiagnostic Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

9. TAXATION ON ORDINARY ACTIVITIES

a. Analysis of charge in the year

	2015 £	2014 £
Current tax:		
UK Corporation Tax based on the results for the year at 21% (2014: 23%)	440,885	265,911
Group relief payable	124,261	433,003
Adjustment to Corporation tax for prior periods	(173,790)	(82,235)
Total current tax	391,356	616,679
Deferred tax:		
Origination and reversal of timing differences		
Capital allowances	38,389	(47,457)
Other	(1,869)	25,364
Total deferred tax (note 18)	36,520	(22,093)
Tax on profit on ordinary activities	427,876	594,586

b. Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 21% (2014: 23%)

	2015 £	2014 £
Profit on ordinary activities before taxation	4,784,910	5,105,046
Profit on ordinary activities by standard rate of tax of 21% (2014: 23%)	1,004,831	1,174,160
Expenses not deductible for tax purposes	47,914	16,863
Capital allowances in excess of depreciation	(33,381)	44,554
Additional relief for R & D expenditure	(453,020)	(469,732)
Tax adjustments and other short term timing differences	-	(16,288)
Relief for employee share award	(1,198)	(50,643)
Adjustments in respect of prior periods	(173,790)	(82,235)
Total current tax (note 9(a))	391,356	616,679

Immunodiagnostic Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

10. INTANGIBLE FIXED ASSETS

	Patents & product technology £	Total £
Cost		
At 1 April 2014	2,396,487	2,396,487
Additions	182,074	182,074
Disposals	(8,450)	(8,450)
At 31 March 2015	<u>2,570,111</u>	<u>2,570,111</u>
Amortisation		
At 1 April 2014	1,604,906	1,604,906
Charge for the year	<u>259,750</u>	<u>259,750</u>
At 31 March 2015	<u>1,864,656</u>	<u>1,864,656</u>
Net book value		
At 31 March 2015	<u>705,455</u>	<u>705,455</u>
At 1 April 2014	<u>791,581</u>	<u>791,581</u>

Immunodiagnostic Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

11. TANGIBLE FIXED ASSETS

	Short Leasehold Property £	IDS Isys Systems £	Fixtures, Fittings & Equipment £	Motor Vehicles £	Total £
Cost					
At 1 April 2014	1,571,913	1,190,240	2,824,866	9,613	5,596,632
Additions	68,142	164,483	194,504	-	427,129
Disposals/write-offs	-	(57,502)	-	(9,613)	(67,115)
At 31 March 2015	<u>1,640,055</u>	<u>1,297,221</u>	<u>3,019,370</u>	<u>-</u>	<u>5,956,646</u>
Depreciation					
At 1 April 2014	1,540,301	526,745	2,154,212	9,150	4,230,408
Charge for the year	21,627	181,889	229,656	463	433,635
On disposals/write-offs	-	(29,765)	-	(9,613)	(39,378)
At 31 March 2015	<u>1,561,928</u>	<u>678,869</u>	<u>2,383,868</u>	<u>-</u>	<u>4,624,665</u>
Net book value					
At 31 March 2015	<u>78,127</u>	<u>618,352</u>	<u>635,502</u>	<u>-</u>	<u>1,331,981</u>
At 1 April 2014	<u>31,612</u>	<u>663,495</u>	<u>670,654</u>	<u>463</u>	<u>1,366,224</u>

Immunodiagnostic Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

12. INVESTMENTS

	Investment in subsidiary undertakings £	Investment in associated undertakings £	Total £
Cost			
At 1 April 2014	852,177	345,271	1,197,448
Additions	3,221,966	-	3,221,966
At 31 March 2015	<u>4,074,143</u>	<u>345,271</u>	<u>4,419,414</u>
Amounts written off			
At 1 April 2014	-	345,271	345,271
At 31 March 2015	<u>-</u>	<u>345,271</u>	<u>345,271</u>
Net book value			
At 31 March 2015	<u>4,074,143</u>	<u>-</u>	<u>4,074,143</u>
At 1 April 2014	<u>852,177</u>	<u>-</u>	<u>852,177</u>

SUBSIDIARIES

The Company owns 100% of the share capital in Immunodiagnostic Systems Inc., a company incorporated and registered in the USA. The principal activity of Immunodiagnostic Systems Inc is that of a distribution channel.

The Company owns 100% of the share capital of IDS GmbH, a company incorporated and registered in Germany. The principal activity of IDS GmbH is that of a distribution channel.

The Company owns 100% of the issued share capital in Suomen Bioanalytiikka Oy (SBA Sciences Ltd), a company incorporated and registered in Finland.

The Company owns 100% of the issued share capital in IDS Brasil Diagnósticos Ltda, a company incorporated and registered in Brazil. Additions to investments include £342,834 relating to additional share capital subscription in IDS Brasil Diagnósticos Ltda in the year.

The Company owns 100% of the issued share capital in Dia.metra s.r.l, a company incorporated and registered in Italy. These shares were acquired on 9 September 2014 for £2,879,132.

Immunodiagnostic Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

12. INVESTMENTS (CONTINUED)

ASSOCIATES

The Company also owns the following shares of the companies listed below:

Perinatal Diagnostics Limited (incorporated in England) – 41%

Pyrronostics Limited (incorporated in Scotland) – 33%

These companies are accounted for as investments, and are fully impaired at 31 March 2015.

13. STOCKS

	2015	2014
	£	£
Raw materials	879,787	1,011,422
Work in progress	518,506	534,851
Finished goods	1,602,834	1,466,254
	<u>3,001,127</u>	<u>3,012,527</u>

14. DEBTORS

	2015	2014
	£	£
Trade debtors	1,446,113	1,362,468
Amounts owed by group undertakings	27,820,456	26,204,837
VAT recoverable	152,565	119,176
Corporation tax	149,551	309,032
Other debtors	102	-
Prepayments and accrued income	1,432,448	1,100,966
	<u>31,001,236</u>	<u>29,096,479</u>

The debtors above include the following amounts falling due after more than one year:

	2015	2014
	£	£
Amounts owed by group undertakings	<u>27,820,456</u>	<u>26,204,837</u>
	<u>27,820,456</u>	<u>26,204,837</u>

Immunodiagnostic Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

15. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£	£
Trade creditors	408,770	533,862
Amounts due to group undertakings	1,079,099	85,562
Other tax and social security	178,976	279,422
Other creditors	31,689	38,440
Accruals and deferred income	534,657	732,560
	<u>2,233,191</u>	<u>1,669,846</u>

The bank holds an unlimited multilateral guarantee in respect of all group companies, together with a debenture and fixed and floating charges over all tangible and intangible assets and uncalled share capital of the Company, both present and future.

16. CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

The following liabilities disclosed under creditors falling due within one year are secured by the Company:

	2015	2014
	£	£
Shares classified as financial liabilities	<u>57,000</u>	<u>57,000</u>
	<u>57,000</u>	<u>57,000</u>

17. PENSIONS

The Company operates a defined contribution scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £ 76,937 (2014 - £60,696).

Immunodiagnostic Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

18. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	2015
	£
Provision brought forward	410
Profit and loss account movement arising during the year	<u>36,520</u>
Provision carried forward	36,930

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2015	2014
	£	£
Excess of taxation allowances over depreciation on fixed assets	48,039	9,649
Other timing differences	<u>(11,109)</u>	<u>(9,239)</u>
	<u>36,930</u>	<u>410</u>

19. PROVISION

The provision at 31 March 2014 and 31 March 2015 for £500,000 is a dilapidation provision relating to leased buildings at Boldon, UK which at its earliest will be required to be settled in July 2020.

20. GOVERNMENT GRANTS

	2015
	£
Received and receivable:	
At 1 April and 31 March	<u>62,290</u>
Amortisation:	
At 1 April 2014	50,602
Credit to profit and loss account	<u>3,049</u>
At 31 March 2015	<u>53,651</u>
Net balance at 31 March 2015	<u>8,639</u>
Net balance at 31 March 2014	<u>11,688</u>

Immunodiagnostic Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

21. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2015 the Company had annual commitments under non-cancellable operating leases as set out below.

	2015		2014	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire:				
Within 1 year	4,294	1,210	90,000	10,934
Within 2 to 5 years	-	28,165	89,217	16,241
Over 5 years	<u>186,800</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>191,094</u>	<u>29,375</u>	<u>179,217</u>	<u>27,175</u>

22. CONTINGENCIES

At the balance sheet date the Group had a guarantee dated 27 May 2013 in favour of HM Revenue and Customs for £50,000.

The company has a potential liability to the previous owners of SBA for €600,000 of which €300,000 is due upon receipt of 510(k) clearance for TRAP products in the USA, and a further €300,000 upon obtaining US reimbursement status for these same products. There is currently no planned launch date for these products in the USA.

The company has entered into a licence and co-operation agreement for the development of four analytes. For each analyte there are milestone payments falling due: £25,000 upon commercial launch, £75,000 upon receipt of 510(k) clearance in the US, and £150,000 upon achievement of US reimbursement status. There are currently no planned launch dates for these products.

23. RELATED PARTY TRANSACTIONS

The Company is a wholly owned subsidiary of Immunodiagnostic Systems Holdings PLC, the consolidated accounts of which are publicly available. Accordingly, the Company has taken advantage of the exemption in FRS 8 from disclosing transactions with members of the group.

Immunodiagnostic Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

24. SHARE CAPITAL

	2015	2014
	£	£
Allotted, called up and fully paid:		
120,000 Ordinary shares of £1 each	120,000	120,000
57,000 'A' ordinary shares of £1 each	57,000	57,000
19,666 Non voting ordinary shares of £1 each	19,666	19,666
	<u>196,666</u>	<u>196,666</u>
Equity shares		
120,000 Ordinary shares of £1 each	120,000	120,000
19,666 Non voting shares of £1 each	19,666	19,666
	<u>139,666</u>	<u>139,666</u>
Shares classed as financial liabilities		
57,000 'A' ordinary shares of £1 each (note 16)	<u>57,000</u>	<u>57,000</u>

'A' ordinary shares

These shares bear a right to a participating dividend based upon 7% of net consolidated profit in the relevant year. They also have a right to a net cash compensatory dividend payable on each share the sum of which equals the total emoluments paid to shareholding Directors and connected persons in excess of one hundred and fifty thousand pounds divided by the number of ordinary shares they hold. The shareholder waived the right to a dividend in both the year ended 31 March 2014. The shares carry no rights to redemption. The shares carry the right to one vote per share ranking pari passu with the ordinary shares.

Non-voting ordinary shares

The shares carry no right to dividends. In the event of a winding up the shares rank last with the ordinary shares, the balance of assets being distributed in proportion to the amounts paid up on both classes of share. The shares carry no right to redemption.

25. OTHER RESERVES

There was no movement on the share premium account during the financial year.

	2015	2014
	£	£
Capital redemption reserve	<u>5,829</u>	<u>5,829</u>

Immunodiagnostic Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

Capital contributions from Immunodiagnostic Systems Holdings PLC

	2015	2014
	£	£
Balance brought forward	5,711	193,563
Exercise of share options	(5,711)	(187,852)
Closing	<u>-</u>	<u>5,711</u>

26. PROFIT AND LOSS ACCOUNT

	2015	2014
	£	£
Balance brought forward	32,787,227	31,088,915
Profit for the financial year	4,357,036	4,510,460
Dividends paid	-	(3,000,000)
Exercise of share options	5,711	187,852
Corporation Tax Relief on Share Options	29,486	-
At 31 March	<u>37,179,460</u>	<u>32,787,227</u>

27. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2015	2014
	£	£
Profit for the financial year	4,357,036	4,510,460
Dividends paid	-	(3,000,000)
Corporation Tax Relief on Share Options	29,486	-
Net addition to funds	4,386,522	1,510,460
Opening shareholders' equity funds	33,515,603	32,005,143
Closing shareholders' equity funds	<u>37,902,125</u>	<u>33,515,603</u>

28. ULTIMATE PARENT COMPANY

The ultimate parent company is Immunodiagnostic Systems Holdings PLC. The group accounts prepared by Immunodiagnostic Systems Holdings PLC are available from 10 Didcot Way, Boldon Business Park, Boldon, Tyne and Wear, NE35 9PD.

29. SHARE OPTIONS

The Company has granted options to subscribe for ordinary shares of £0.02 each in Immunodiagnostic Systems Holdings PLC, as follows:

Immunodiagnostic Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

	Grant Date	Exercise Price	Period within which options are exercisable		Number of shares for which rights are exercisable	
			From	To	2014	2015
EMI Share Scheme	2005	51p	22.12.07	22.12.14	33,361	-
Total					33,361	-

The market price of the shares at 31 March 2015 was 295.0p and the range during the year was 295.0p to 537.5p.

Options may normally be exercised in whole or part within the period of three to ten years after the date of the grant, and then only if the performance conditions attached to the options have been satisfied.

The share options granted will only be exercisable upon the achievement of the performance criteria.

Performance conditions in relation to the share option schemes are:

Exercise of an option will be dependent upon the achievement by Immunodiagnostic Systems PLC of a specified threshold of earnings per share ("EPS") growth (calculated after excluding amortisation of goodwill, gains and losses on the disposal of assets, changes resulting from the expensing of options through the profit and loss account and any extraordinary or exceptional items at the discretion of the Remuneration Committee) in excess of the growth in Retail Price Index over a three or more years performance period (the "Performance Period"). For an option to become exercisable in full, the growth in EPS of Immunodiagnostic Systems Holdings PLC over the Performance Period must exceed the growth in Retail Price Index over the same period by a specified percentage. If the excess is 15 percent or greater in respect of the first three years of the Performance Period then the performance condition is met. Where the performance condition is not met then the Performance Period is extended one financial year at a time and the growth in EPS is increased by five percent for each financial year while the options remain in existence until the performance condition as so increased has been met. As soon as the performance condition is met the options vest in their entirety and become exercisable in whole or in part at any time, subject to the rules of the IDS Approved Share Option Scheme.

Share-Based Payments

The number of share options in existence during the year was as follows:-

Immunodiagnostic Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

	2015		2014	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
At 1 April	33,361	51p	166,807	199p
Exercised during the year	33,361	51p	133,446	237p
Outstanding at 31 March	-	-	33,361	199p
Exercisable at 31 March	-	-	33,361	51p

Options were valued using the Black-Scholes option pricing model.

No options were granted in the year or the prior year.

There were no options outstanding at 31 March 2015. Options outstanding at 31 March 14 had an exercise price of 51p, and a weighted average remaining contractual life of 0.8 years.

During 2015, the Company recognised total share-based payment expenses of £nil (2014 - £nil).