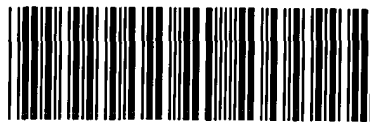


Registered number: 03526954

BIOCHROM LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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BIOCHROM LIMITED

COMPANY INFORMATION

DIRECTORS	Mr J Eyles Mr J Green Mr F Stifter
COMPANY SECRETARY	Mr L Follen
REGISTERED NUMBER	03526954
REGISTERED OFFICE	Unit 7 3970 Cambridge Research Park Beach Drive Waterbeach CB25 9PE
INDEPENDENT AUDITOR	Grant Thornton UK LLP Statutory Auditor, Chartered Accountants 101 Cambridge Science Park Milton Road Cambridge CB4 0FY

BIOCHROM LIMITED

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BIOCHROM LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

INTRODUCTION

The directors present their Strategic Report and financial statements for the year ended 31 December 2021.

BUSINESS REVIEW

During the year the Company's profit after tax for the financial year was £11,007 compared to a loss of £1,674,056 in the prior year.

Sales by the Company increased by £1,369,756 or 13.7% versus 2020. The Company's Amino Acid Analyser sales grew by almost 19.7% or £928,077 year over year. This was mostly driven by higher instrument sales which increased by £583,207. Overall, the Company sold 19 more instruments and the increase in demand is attributed to a recovery after the impact of the initial phase of the ongoing global SARS-CoV-2 pandemic.

The Company's Spectrophotometer sales declined 11.1% or £355,010 compared to the prior year. Orders for the Company's Spectrophotometer range declined only by 5% with the additional shortfall in revenue being a result of supply chain pressures and in particular sourcing electronic components in the wake of the initial phase of the ongoing global SARS-CoV-2 pandemic.

Sales of the Company's Microplate Instrumentation product range increased by £33,898 or 7.0%.

In a similar way to the Company's Amino Acid Analyser product range, there was a strong recovery in Company's Harvard Apparatus physiological product range after the initial phase of the ongoing global SARS-CoV-2 pandemic. Sales grew by 27.8% or £395,582.

The Company's Scie-Plas product range also saw a recovery growing by £19,403 or 13.5% versus 2020.

The Company's gross profit increased from £3,080,134 in 2020 to £4,714,505 in 2021. The key drivers of this improvement were volume, representing £410,927, mix, representing £307,134, purchase price variance and favourable foreign exchange conditions, representing £651,871, restructuring in 2020 being £80,383 and reduced site running costs because of the restructuring in 2020 representing £264,437. As a result, the gross margin percentage was increased 41.4% from 30.7%.

Operating expenses (comprising distribution costs and administrative expenses) increased by £915,342 to £4,490,416 (39.4% of sales). The reduction was mostly a result of an increase of group management charges of £194,799 and foreign exchange differences on intercompany balances of £503,977.

At 31 December 2021, the directors assessed the Company's investments in subsidiary undertakings and goodwill for impairment. After due consideration of the cash generating units business performance in the year, the directors determined that the investment in the subsidiary of CMA Microdialysis AB suffered a permanent diminution of value and impaired the investment by £116,378. In 2020 the Company booked an impairment charge of £1,300,000 in the investment in the subsidiary of CMA Microdialysis AB which suffered a permanent diminution of value. No further impairment charges were deemed necessary.

Overall, the Company recorded a profit before tax for the year ended 31 December 2021 of £127,127 or 1.1% of sales compared to a loss before tax of £1,662,861, 16.6% of sales in 2020.

During the year stocks increased by £881,256 to £3,594,253 in order to mitigate supply chain shortages in the wake of the initial phase of the ongoing global SARS-CoV-2 pandemic.

BIOCHROM LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

PRINCIPAL RISKS AND UNCERTAINTIES

The directors continue to evaluate the financial performance of its operations by regularly monitoring certain operating metrics of the Company and, when appropriate, effects changes to leverage its infrastructure and its distribution channels. Key performance indicators which monitor sales growth trends, expenses, operating profitability, resource efficiency and working capital are regularly reviewed.

The future prospects of the Company may be affected by the following risk factors:

The Company's profitability may be impacted by increased prices by its suppliers and the Company's ability to pass on these costs may be constrained by current market conditions and its competitive position in the marketplace.

Market conditions for the Company's Harvard Apparatus, Spectrophotometer and AAA products may be impacted by levels of academic and private research funding. A decline in funding may result in a reduction of sales of these products.

The current credit and financial market conditions may exacerbate certain risks affecting the Company's business. The failure of any banking institution in which the Company deposits its funds or the failure of such banking institution to provide services in the current economic environment could have an adverse effect on its operational result, financial condition or access to borrowings.

Currency exchange rate fluctuations may have a negative impact on its reported earnings.

The impact of the withdrawal of the United Kingdom from the European Union may have a negative impact on the reported earnings of the Company. Previously it enjoyed the free movement of people, services and goods within the European Union. It is uncertain how trade with the Company's European customers and suppliers will be impacted in the future.

The Company's competitors and potential competitors may develop products and technologies that are more effective or commercially attractive than its products. The Company's products compete in markets that are subject to technological change, and therefore one or more of our products could be made obsolete by new technologies.

If the Company is unable to protect its intellectual property effectively, third parties may use the Company's technology which would impair its ability to compete in its markets.

The ongoing global SARSCoV2 or COVID19 pandemic may have a continued impact on the future earnings of the Company. Whilst most of our customers are not directly impacted by the repeated lockdowns necessitated by the pandemic, some customers may be temporarily closed, research programmes may be delayed due to the unavailability of staff.

The Company may see additional demand for the Company's products due to the need for higher diagnostic testing capacity and research into treatments and vaccines. The Company's ability to supply product may be impacted due to the unavailability of its own staff or the ability of its suppliers to supply products due to the availability of resources.

BIOCHROM LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

GOING CONCERN

The Company's business activities together with the factors likely to affect its future development, its financial position and principal risks and uncertainties are set out above.

As at 31 December 2021 the Company had net current assets of £885,116, and made a profit after tax of £11,007. The directors have considered the current market conditions, including the impact of the SARSCoV2 pandemic, trading post year end and the liquid resources available to the Company and obtained a letter of financial support from the Company's ultimate parent undertaking, Harvard Biosciences, Inc.

The letter of financial support from the ultimate parent undertaking indicates that the Company will be provided with the necessary financial support for the foreseeable future, being at least 12 months from the date of approval of the financial statements.

On the basis of their assessment of the Company's financial position and of the enquiries made of the directors of the ultimate parent undertaking, the Company's directors have a reasonable expectation that the Company will be able to continue in operational existence and meet its liabilities as they fall due for the foreseeable future.

Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

RESEARCH AND DEVELOPMENT

It is the Company's policy to carry out research and development to develop products in the fields of spectrophotometry and amino acid analysis. The Company's objective is the rapid creation of products utilising its strengths in electronics, software, optical and mechanical design, and production skills. Expenditure on research and development is set out in note 6.

FUTURE DEVELOPMENTS

The directors continue to evaluate the financial performance of its operations by regularly monitoring certain operating metrics of the Company and, when appropriate, effects changes to leverage its infrastructure and its distribution channels. Key performance indicators which monitor sales growth trends, expenses, operating profitability, resource efficiency and working capital are regularly reviewed.

This report was approved by the board and signed on its behalf by:



Mr J Eyles
Director

Date: 30.09.2022

BIOCHROM LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their report and the financial statements for the year ended 31 December 2021.

Some disclosures that would normally be made in the Directors' Report are included in the Strategic Report. These include; a review of principal risks and uncertainties facing the business, an indication of likely developments in the business and an indication of the activities of the Company in the field of Research and Development.

PRINCIPAL ACTIVITY

During the year the Company developed, manufactured and marketed scientific instruments, medical and laboratory equipment and associated chemicals.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £11,007 (2020 - loss £1,674,056).

No dividends were declared and paid during the year (2020 - £NIL). Subsequent to the year end no dividends have been declared and paid (2020 - £NIL).

DIRECTORS

The directors who served during the year and to the date of this report, except as stated otherwise, were:

Mr J Eyles
Mr J Green
Mr F Stifter

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, 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 to 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.

BIOCHROM LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

DIRECTORS' INDEMNITIES

The Company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' Report.

DISCLOSURE OF INFORMATION TO AUDITOR

The directors at the time when this Directors' Report is approved has confirmed that:

- so far as the directors is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors has taken all the steps that ought to have been taken as a directors in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

POST BALANCE SHEET EVENTS

There have been no significant events affecting the Company since year end.

This report was approved by the board and signed on its behalf by:



**Mr J Eyles
Director**

Date: 30.09.2022

BIOCHROM LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIOCHROM LIMITED

OPINION

We have audited the financial statements of Biochrom Limited (the 'Company') for the year ended 31 December 2021, which comprise 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 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 United Kingdom, including the Financial Reporting Council'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 are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

BIOCHROM LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIOCHROM LIMITED (CONTINUED)

CONCLUSIONS RELATING TO GOING CONCERN (CONTINUED)

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 the 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.

BIOCHROM LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIOCHROM LIMITED (CONTINUED)

MATTER ON WHICH WE ARE REQUIRED TO REPORT UNDER THE COMPANIES ACT 2006

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 or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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 FOR THE FINANCIAL STATEMENTS

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

BIOCHROM LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIOCHROM LIMITED (CONTINUED)

EXPLANATION AS TO WHAT EXTENT THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are most applicable to the Company and determined that the most significant are those that relate to the operational environment, the financial reporting framework (FRS102 and Companies Act 2006) and relevant tax compliance regulations.
- We obtained an understanding how the Company is complying with these legal and regulatory frameworks by making enquiries to management.
- We assessed the susceptibility of the company's financial statements to material misstatement including how fraud might occur. Audit procedures included:
 - Identifying and assessing the design effectiveness of management's controls designed to prevent and detect irregularities;
 - Challenging assumptions and judgements made by management in its evaluation of accounting estimates;
 - Identifying and testing journal entries.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- It is the audit partner's assessment that the audit team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.
- Management have not communicated to the audit team any matters of non-compliance with laws, regulations, or fraud and no such matters were identified by the audit team.

BIOCHROM LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIOCHROM LIMITED (CONTINUED)

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.

Grant Thornton UK LLP

Andrew Hodgekins (Senior Statutory Auditor)

for and on behalf of

Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

Cambridge

Date: 30 September 2022

BIOCHROM LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	2020 £
Turnover	4	11,394,268	10,024,512
Cost of sales		<u>(6,679,763)</u>	<u>(6,944,378)</u>
GROSS PROFIT		4,714,505	3,080,134
Distribution costs		<u>(2,085,106)</u>	<u>(1,860,305)</u>
Administrative expenses		<u>(2,405,310)</u>	<u>(1,714,769)</u>
Other operating income	5	<u>27,340</u>	<u>103,007</u>
OPERATING PROFIT/(LOSS)	6	251,429	(391,933)
Impairment of investment in subsidiary undertakings		<u>(116,378)</u>	<u>(1,300,000)</u>
Interest receivable and similar income	10	<u>4,076</u>	<u>4,072</u>
Other finance income and costs	11	<u>(12,000)</u>	<u>25,000</u>
PROFIT/(LOSS) BEFORE TAX		127,127	(1,662,861)
Taxation	12	<u>(116,120)</u>	<u>(11,195)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		11,007	(1,674,056)
OTHER COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR			
Actuarial gains/(losses) on defined benefit pension scheme	26	<u>427,000</u>	<u>(1,887,000)</u>
Movement of deferred tax relating to pension surplus	21	<u>(106,750)</u>	<u>358,530</u>
OTHER COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR		320,250	(1,528,470)
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR		331,257	(3,202,526)

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of comprehensive income, above.

The notes on pages 15 to 49 form part of these financial statements.

BIOCHROM LIMITED
REGISTERED NUMBER: 03526954

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Intangible assets	13	378,066	472,582
Tangible assets	14	358,111	437,910
Investments	15	<u>10,368,176</u>	<u>10,484,554</u>
		11,104,353	11,395,046
CURRENT ASSETS			
Stocks	16	3,594,253	2,712,997
Debtors: amounts falling due within one year	17	2,405,415	5,078,890
Cash at bank and in hand	18	<u>517,758</u>	<u>283,237</u>
		6,517,426	8,075,124
Creditors: amounts falling due within one year	19	<u>(5,632,310)</u>	<u>(6,711,680)</u>
NET CURRENT ASSETS		885,116	1,363,444
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>11,989,469</u>	<u>12,758,490</u>
Provision for liabilities	22	(53,125)	(18,546)
Pension liability	26	-	(1,173,000)
NET ASSETS		<u><u>11,936,344</u></u>	<u><u>11,566,944</u></u>
CAPITAL AND RESERVES			
Called up share capital	23	100	100
Share premium account	24	1,559,476	1,559,476
Capital redemption reserve	24	4,711,382	4,711,382
Profit and loss account	24	<u>5,665,386</u>	<u>5,295,986</u>
		<u><u>11,936,344</u></u>	<u><u>11,566,944</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



Mr J Eyles
Director

Date: 30.09.2022

The notes on pages 15 to 49 form part of these financial statements.

BIOCHROM LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2021	100	1,559,476	4,711,382	5,295,986	11,566,944
COMPREHENSIVE EXPENSE FOR THE YEAR					
Profit for the year	-	-	-	11,007	11,007
Other comprehensive expense	-	-	-	320,250	320,250
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	-	331,257	331,257
CONTRIBUTIONS BY AND DISTRIBUTIONS TO MEMBERS					
Credit to equity for share based payments (see note 25)	-	-	-	38,143	38,143
TRANSACTIONS WITH MEMBERS	-	-	-	38,143	38,143
AT 31 DECEMBER 2021	100	1,559,476	4,711,382	5,665,386	11,936,344

The notes on pages 15 to 49 form part of these financial statements.

BIOCHROM LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2020	100	1,559,476	4,711,382	8,415,476	14,686,434
COMPREHENSIVE EXPENSE FOR THE YEAR					
Loss for the year	-	-	-	(1,674,056)	(1,674,056)
Other comprehensive expense	-	-	-	(1,528,470)	(1,528,470)
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR	-	-	-	(3,202,526)	(3,202,526)
CONTRIBUTIONS BY AND DISTRIBUTIONS TO MEMBERS					
Credit to equity for share based payments (see note 25)	-	-	-	83,036	83,036
TRANSACTIONS WITH MEMBERS	-	-	-	83,036	83,036
AT 31 DECEMBER 2020	100	1,559,476	4,711,382	5,295,986	11,566,944

The notes on pages 15 to 49 form part of these financial statements.

BIOCHROM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. GENERAL INFORMATION

Biochrom Limited is a private limited company limited by shares and is incorporated and domiciled in England and Wales. The registered company number is 03526954. The Company's registered office is disclosed on the company information page. The principal activity of the Company is disclosed in the Directors' Report.

The parent entity of the smallest and largest group of which the results of this Company is consolidated is headed by Harvard Bioscience, Inc., a company incorporated in USA. Copies of the consolidated financial statements are available to the public from Harvard Bioscience, Inc., 84 October Hill Road, Holliston MA, 01746 1371, USA.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Harvard Bioscience, Inc. as at 31 December 2021 and these financial statements may be obtained from 84 October Hill Road, Holliston MA, 01746 1371, USA.

2.3 EXEMPTION FROM PREPARING CONSOLIDATED FINANCIAL STATEMENTS

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of its ultimate parent undertaking established under the law of a non-EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006.

BIOCHROM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES (CONTINUED)

2.4 GOING CONCERN

The Company's business activities together with the factors likely to affect its future development, its financial position and principal risks and uncertainties are set out in the Strategic Report.

As at 31 December 2021 the Company had net current assets of £885,116 and made a profit after tax of £11,007. The directors have considered the current market conditions, including the impact of the SARS-CoV-2 pandemic, trading post year end and the liquid resources available to the Company and obtained a letter of financial support from the Company's ultimate parent undertaking, Harvard Biosciences, Inc.

On the basis of their assessment of the Company's financial position and of the enquiries made of the directors of the ultimate parent undertaking, the Company's directors have a reasonable expectation that the Company will be able to continue in operational existence and meet its liabilities as they fall due for the foreseeable future.

Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

2.5 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

BIOCHROM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. ACCOUNTING POLICIES (CONTINUED)

2.6 INTANGIBLE ASSETS

GOODWILL

Goodwill that arose on the formation of the business is amortised on a straight line basis over a period of 15 years. In the opinion of the directors this is the period over which the Company will derive direct economic benefit from this goodwill.

2.7 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.

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.

Depreciation is provided on the following basis:

Long leasehold improvements	- 7 years
Plant, machinery & tooling	- 4-7 years
Motor vehicles	- 4 years
Computer equipment	- 3 years

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 profit or loss.

2.8 INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

The carrying value of investments in subsidiary undertakings are reviewed for recoverability, taking into consideration both the net assets of the investment and future profitability. An impairment charge is recognised where the carrying value is greater than the recoverable amount, being the net assets of the investment plus discounted future operating cash flows generated by it.

2.9 STOCKS

Stocks are stated at the lower of standard cost and net realisable value. Standard Cost is based on the last price paid principal, revalued annually at the balance sheet date, and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. Management considers the nature and condition of the stock as well as applying assumptions around anticipated saleability of finished goods and consumption of raw materials based on current usage.

BIOCHROM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. ACCOUNTING POLICIES (CONTINUED)

2.10 DEBTORS

Short term debtors are measured at transaction price, less any impairment.

2.11 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.12 FINANCIAL INSTRUMENTS

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors 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 debtors and creditors, 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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 Comprehensive Income.

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 of the recoverable amount, 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.

2.13 CREDITORS

Short term creditors are measured at the transaction price.

BIOCHROM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. ACCOUNTING POLICIES (CONTINUED)

2.14 GOVERNMENT GRANTS

Grants are accounted under the accruals model as permitted by FRS 102 and those of a revenue nature (e.g. furlough) are recognised in the Statement of Comprehensive Income when the Company becomes entitled to receive the grant funding and in the same period as the expenditure.

2.15 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The Company's functional and presentational currency is Sterling.

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 profit or loss except when deferred in Other Comprehensive Income as qualifying cash flow hedges.

2.16 OPERATING LEASES

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term.

BIOCHROM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. ACCOUNTING POLICIES (CONTINUED)

2.17 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.

DEFINED BENEFIT PENSION PLAN

The Company operates two defined benefit pension plans for certain employees. A defined benefit pension plan provides pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit pension plan is a scheme that is not a defined contribution plan.

Where the defined benefit pension plan is in a net deficit position, a liability is recognised on the Balance Sheet representing the present value of the defined benefit obligation at the end of the balance sheet date less the fair value of plan assets at the balance sheet date (if any) out of which the obligations are to be settled. Where the defined benefit pension plan is in net surplus, no asset is recognised due to the uncertainty over timing of future crystallisation of the asset.

The defined benefit obligation is calculated using the projected unit credit method. Annually the Company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to Other Comprehensive Income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Actuarial gains/(losses) on defined benefit pension scheme'.

The cost of the defined benefit plan, recognised in the Statement of Comprehensive Income as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the year; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest income or cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This income or cost is recognised in the Statement of Comprehensive Income as 'Other finance income and costs'.

BIOCHROM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. ACCOUNTING POLICIES (CONTINUED)

2.18 INTEREST INCOME

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.19 PROVISION 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 Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the Company's 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.

2.20 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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.

BIOCHROM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

**3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION
UNCERTAINTY**

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these significant judgements and estimates have been made include:

Investment and goodwill valuation - The carrying value of investments in subsidiary undertakings and goodwill are reviewed for recoverability, taking into consideration both the net assets of the investment and future profitability of the cash generating unit. An impairment is recognised where the carrying value is lower than the recoverable amount.

Stock carrying value - Stock is held at the lower of cost and net realisable value. Management review stock holdings and make a provision for slow moving and obsolete stock where the recoverable amount on a stock item has fallen below the cost.

Recoverability of trade debtors - A provision for bad debts is made where it is identified that a trade debtor may not be recoverable by the Company. The bad debt provision is made on a specific basis against customer balances where they are not considered recoverable.

Warranty provision - The provision for product warranty represents the estimated costs to be incurred for work under warranty on products sold. The provision is determined with reference to the call rate for the products still under warranty cover and the average unit cost of the work performed. Products sold have a warranty lasting either one or two years and the provision will be utilised over this period.

Post-employment benefits - The Company operates two defined benefit pension schemes. For all defined benefit pension schemes, pension valuations have been performed using specialist advice obtained from independent qualified actuaries. In performing these valuations, significant actuarial assumptions and judgements have been made to determine the defined benefit obligation, in particular with regard to discount rate, inflation and mortality. Where the defined benefit pension plan is in net surplus, judgment has been applied in the decision not to recognise an asset. Management's assessment is that there is currently no certainty that the Company will be able to recover the net surplus either through reduced contributions in the future or through refunds from the plan. All key assumptions have been included in note 26.

No other significant judgements or estimates have been made by management in preparing the financial statements other than those noted in the accounting policies above.

BIOCHROM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

4. TURNOVER

An analysis of turnover by class of business is as follows:

	2021 £	2020 £
Instrument sales	5,380,140	4,900,734
Other sale of goods	5,421,482	4,448,105
Service and repairs	592,646	675,673
	<u>11,394,268</u>	<u>10,024,512</u>

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	3,080,869	2,417,735
Rest of Europe	4,283,987	4,169,370
Rest of the World	4,029,412	3,437,407
	<u>11,394,268</u>	<u>10,024,512</u>

5. OTHER OPERATING INCOME

	2021 £	2020 £
R&D expenditure credit income	27,340	59,288
Government grants receivable	-	43,719
	<u>27,340</u>	<u>103,007</u>

Government grants receivable represents amounts claimed under the Coronavirus Job Retention Scheme of £NIL (2020 - £43,719) to cover salaries of furloughed staff during the year.

BIOCHROM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

6. OPERATING PROFIT/(LOSS)

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

	2021	2020
	£	£
Research & development charged as an expense	624,307	692,423
Depreciation of tangible fixed assets	125,419	131,962
Loss on disposal of tangible fixed assets	-	80,561
Amortisation of goodwill	94,516	94,516
Net foreign exchange (gains)	92,527	(26,872)
Defined contribution pension cost (see note 26)	164,904	173,255
Operating lease rentals	105,200	293,549
	<u> </u>	<u> </u>

7. AUDITOR'S REMUNERATION

	2021	2020
	£	£
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	70,875	67,500
	<u> </u>	<u> </u>

BIOCHROM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

	2021 £	2020 £
Wages and salaries	2,233,070	1,605,416
Social security costs	232,210	191,786
Cost of defined contribution pension scheme (see note 26)	164,904	173,255
Cost of defined benefit pension scheme (see note 26)	-	13,000
Share based payment charge (see note 25)	38,143	83,036
	<u>2,668,327</u>	<u>2,066,493</u>

The average monthly number of employees, including the executive directors, during the year was as follows:

	2021 No	2020 No
Manufacturing, production and development	16	15
Distribution	14	15
Administration	8	8
	<u>38</u>	<u>38</u>

9. DIRECTORS' REMUNERATION

	2021 £	2020 £
Directors' emoluments	201,129	120,921
Company contributions to defined contribution pension schemes	20,931	20,470
	<u>222,060</u>	<u>141,391</u>

During the year retirement benefits were accruing to 1 director (2020 - 1) in respect of defined contribution pension schemes. None of the directors were accruing retirement benefits under defined benefit pension schemes in either the current or prior years. During the year none (2020 - NIL) of the directors were granted share options and none (2020 - NIL) of the directors exercised share options. In addition, two of the directors are remunerated by the ultimate parent undertaking, for their services to the Group, without recharge.

BIOCHROM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

10. INTEREST RECEIVABLE AND SIMILAR INCOME

	2021	2020
	£	£
Interest receivable on amounts due from group undertakings	<u>4,076</u>	<u>4,072</u>

11. OTHER FINANCE INCOME AND COSTS

	2021	2020
	£	£
Net interest income on defined benefit pension scheme	-	25,000
Net interest cost on defined benefit pension scheme	<u>(12,000)</u>	-
	<u>(12,000)</u>	<u>25,000</u>

12. TAXATION

	2021	2020
	£	£
CURRENT TAX		
Adjustments in respect of previous years	-	(124,465)
TOTAL CURRENT TAX CHARGE/(CREDIT)	<u>-</u>	<u>(124,465)</u>
DEFERRED TAX (see note 21)		
Origination and reversal of timing differences	<u>116,120</u>	<u>135,660</u>
TOTAL DEFERRED TAX	<u>116,120</u>	<u>135,660</u>
TOTAL TAX CHARGE FOR THE YEAR	<u>116,120</u>	<u>11,195</u>

BIOCHROM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

12. TAXATION (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2020 - higher than) the standard rate of corporation tax in the UK of 19.00% (2020 - 19.00%). The differences are explained below:

	2021 £	2020 £
Profit/(loss) before tax	<u>127,127</u>	<u>(1,662,861)</u>
Profit/(loss) multiplied by standard rate of corporation tax in the UK of 19.00% (2020 - 19.00%)	24,154	(315,944)
EFFECTS OF:		
Expenses not deductible	7,701	262,798
Fixed asset timing differences	17,394	18,846
Defined benefit pension timing differences	81,130	(358,530)
Adjustments to tax charge in respect of prior years - current tax	-	(124,465)
Deferred tax charge	(116,120)	135,660
Remeasurement of deferred tax for changes in tax rates	(152,368)	(23,163)
Carry forward of tax losses for which no deferred tax recognised	254,229	415,993
TOTAL TAX CHARGE FOR THE YEAR	<u>116,120</u>	<u>11,195</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

Closing deferred tax assets and liabilities are calculated at 25.00% (2020 - 19.00%) in accordance with the rates enacted at the balance sheet date. The Finance Act 2021, which announced the upcoming rise in headline rates of corporation tax to 25.00% from 1 April 2023, was substantively enacted on 24 May 2021.

BIOCHROM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

13. INTANGIBLE ASSETS

	Goodwill £
COST	
At 1 January 2021	<u>6,779,057</u>
At 31 December 2021	<u>6,779,057</u>
AMORTISATION	
At 1 January 2021	<u>6,306,475</u>
Charge for the year on owned assets	<u>94,516</u>
At 31 December 2021	<u>6,400,991</u>
NET BOOK VALUE	
At 31 December 2021	<u><u>378,066</u></u>
At 31 December 2020	<u><u>472,582</u></u>

At 31 December 2021, the directors assessed the Company's goodwill for impairment. After due consideration of the cash generating units business performance in the year, the directors determined that no impairment charges in respect of goodwill were deemed necessary.

BIOCHROM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. TANGIBLE FIXED ASSETS

	Long leasehold improve- ments £	Plant, machinery & tooling £	Motor vehicles £	Computer equipment £	Total £
COST OR VALUATION					
At 1 January 2021	444,176	294,534	10,880	539,614	1,289,204
Additions	4,955	3,076	-	37,589	45,620
Disposals	-	-	-	(60,240)	(60,240)
At 31 December 2021	<u>449,131</u>	<u>297,610</u>	<u>10,880</u>	<u>516,963</u>	<u>1,274,584</u>
DEPRECIATION					
At 1 January 2021	103,305	208,712	10,000	529,277	851,294
Charge for the year on owned assets	77,916	34,313	-	13,190	125,419
Disposals	-	-	-	(60,240)	(60,240)
At 31 December 2021	<u>181,221</u>	<u>243,025</u>	<u>10,000</u>	<u>482,227</u>	<u>916,473</u>
NET BOOK VALUE					
At 31 December 2021	<u>267,910</u>	<u>54,585</u>	<u>880</u>	<u>34,736</u>	<u>358,111</u>
At 31 December 2020	<u>340,871</u>	<u>85,822</u>	<u>880</u>	<u>10,337</u>	<u>437,910</u>

BIOCHROM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

15. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
COST	
At 1 January 2021 and 31 December 2021	<u>12,358,418</u>
IMPAIRMENT	
At 1 January 2021	1,873,864
Charge for the year	116,378
At 31 December 2021	<u>1,990,242</u>
NET BOOK VALUE	
At 31 December 2021	<u>10,368,176</u>
At 31 December 2020	<u>10,484,554</u>

At 31 December 2021, the directors assessed the Company's investments in subsidiary undertakings for impairment. After due consideration of the cash generating units business performance in the year, the directors determined that no impairment is required.

BIOCHROM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

15. FIXED ASSET INVESTMENTS (CONTINUED)**SUBSIDIARY UNDERTAKINGS**

The following were subsidiary undertakings of the Company as at 31 December 2021:

Name	Principal activity	Class of shares	Holding
Scie-Plas Limited	Dormant	Ordinary	100%
Asys Hitech GmbH	Dormant	Ordinary	100%
Walden Precision Apparatus Limited	Dormant	Ordinary	100%
CMA Microdialysis AB	Manufacturer of laboratory equipment	Ordinary	100%
Multi Channel Systems GmbH	Developer, manufacturer and marketer of scientific instrumentation	Ordinary	100%

Scie-Plas Limited and Walden Precision Apparatus Limited are both incorporated in England and Wales. The registered office of the companies is Unit 7, 3970 Beach Drive, Waterbeach, Cambridge, England, CB25 9PE.

Asys Hitech GmbH is incorporated in Austria. The registered office is Nordstrasse 4, Eugendorf, Austria.

CMA Microdialysis AB is incorporated in Sweden. The registered office is Torshamnsgatan 30A, 164 40 Kista, Sweden.

Multi Channel Systems GmbH is incorporated in Germany. The registered office is Aspenhaustraße 21, 72770 Reutlingen, Germany.

The aggregate of the share capital and reserves as at 31 December 2021 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(loss) £
Scie-Plas Limited	1,132,597	-
Asys Hitech GmbH	145,896	(2,373)
Walden Precision Apparatus Limited	989,073	-
CMA Microdialysis AB	908,419	(88,171)
Multi Channel Systems GmbH	(106,681)	(1,400,526)

BIOCHROM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

16. STOCKS

	2021 £	2020 £
Raw materials and consumables	3,110,579	2,341,191
Finished goods and goods for resale	483,674	371,806
	<u>3,594,253</u>	<u>2,712,997</u>

Stock recognised in cost of sales during the year as an expense was £5,981,846 (2020 - £5,410,852).

An impairment reversal of £59,526 (2020 - £13,774) was recognised in cost of sales during the year due to slow-moving and obsolete stock.

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	1,418,986	1,059,830
Amounts owed by group undertakings	607,235	3,313,398
Other debtors	228,603	281,173
Corporation tax receivable	51,108	125,094
Prepayments and accrued income	99,483	76,525
Deferred taxation (see note 21)	-	222,870
	<u>2,405,415</u>	<u>5,078,890</u>

Trade debtors are stated net of a provision against potential irrecoverable amounts at 31 December 2021 totalling £3,578 (2020 - £830).

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

18. CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash at bank and in hand	517,758	283,237

BIOCHROM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Payments received on account	79,377	27,836
Trade creditors	150,951	253,460
Amounts owed to group undertakings	4,821,851	5,747,082
Other taxation and social security	77,240	55,982
Other creditors	47,287	65,417
Accruals and deferred income	455,604	561,903
	<u>5,632,310</u>	<u>6,711,680</u>

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

20. FINANCIAL INSTRUMENTS

	2021 £	2020 £
FINANCIAL ASSETS		
Financial assets measured at fair value through profit or loss	517,758	283,237
Financial assets that are debt instruments measured at amortised cost	2,254,824	4,654,401
	<u>2,772,582</u>	<u>4,937,638</u>
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	<u>(5,555,070)</u>	<u>(6,655,698)</u>

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents.

Financial assets measured at amortised cost comprise trade debtors, amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise payments received on account, trade creditors, amounts owed to group undertakings, other creditors and accruals and deferred income.

BIOCHROM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

21. DEFERRED TAXATION

	2021 £	2020 £
At beginning of year	222,870	-
(Charged) to profit or loss	(116,120)	(135,660)
(Charged)/credited to Other Comprehensive Income	(106,750)	358,530
AT END OF YEAR	<u>-</u>	<u>222,870</u>

The deferred tax asset is made up as follows:

	2021 £	2020 £
Defined benefit pension scheme deficit	<u>-</u>	<u>222,870</u>

As at 31 December 2021 the Company has tax losses net of other taxable timing differences of £2,539,474 (2020 - £3,154,121) that are available indefinitely for offset against future taxable profits. A deferred tax asset of £634,868 (2020 - £599,283) has not been recognised in respect of these losses at 31 December 2021 as it is not sufficiently certain that the Company will generate taxable profits in the foreseeable future.

22. PROVISIONS

	Warranty Provision £
At 1 January 2021	18,546
Charged to profit or loss	35,400
Utilised in year	(821)
AT 31 DECEMBER 2021	<u><u>53,125</u></u>

The provision for product warranty represents the estimated costs to be incurred for work under warranty on products sold. The provision is determined with reference to the call rate for the products still under warranty cover and the average unit cost of the work performed. Products sold have a warranty lasting either one or two years and the provision will be utilised over this period.

BIOCHROM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

23. SHARE CAPITAL

	2021	2020
	£	£
ALLOTTED, CALLED UP AND FULLY PAID		
100 (2020 - 100) Ordinary shares of £1 each	<u>100</u>	<u>100</u>

24. RESERVES

Share premium account

This includes any premiums received on the issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Capital redemption reserve

This represents the waiver of an intercompany payable owed to a fellow subsidiary of Harvard Bioscience, Inc. which was subsequently hived up into the Company during 2014.

Profit and loss account

This reserve includes all current and prior period retained profits and losses, as well as gains or losses on the defined benefit pension schemes, less dividends paid.

BIOCHROM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

25. SHARE BASED PAYMENTS

In order to stimulate the realisation of long term group objectives, Harvard Bioscience, Inc., the Company's ultimate parent company, provides its employees with share option plans.

Harvard Bioscience, Inc. 1996 Share Option and Grant Plan

In 1996, Harvard Bioscience, Inc. adopted the 1996 Stock Option and Grant Plan (the "1996 Stock Plan") pursuant to which the Group's board of directors could grant stock options to employees, directors and consultants. The 1996 Stock Plan authorised grants of options to purchase 4,072,480 shares of authorised but unissued common stock. In 2000, the 1996 Stock Plan was replaced by the 2000 Stock Option and Incentive Plan.

Harvard Bioscience, Inc. 2000 Share Option and Incentive Plan

The Second Amended and Restated 2000 Stock Option and Incentive Plan (the "2000 Plan" and, together with the 1996 Stock Plan, the "Stock Plans") was amended by the Harvard Bioscience, Inc. board of directors on 10 April 2008. Such amendment to the 2000 Plan, which included an increase in the number of shares available thereunder by 2,500,000, was approved by the stockholders at the Group's 2008 Annual Meeting.

Options awarded under this plan are conditional and can be exercised over the vesting period provided the employee is still employed by the Group. The vesting period is generally 4 years. The options are equity instruments of, and granted by, Harvard Bioscience, Inc. and are generally valid for a period of 10 years starting on the issue date.

No share options were granted to employees of the Company during the year (2020 - NIL) and 73,466 share options were exercised by employees of the Company during the year (2020 - NIL). The options outstanding at 31 December 2021 had a weighted average exercise price of \$4.8695 (2020 - \$4.6772), and a weighted average remaining contractual life of 5.24 years (2020 - 5.09 years).

The number and weighted average exercise prices of share options in are as follows:

	Weighted average exercise price (pence) 2021	Number 2021	Weighted average exercise price (pence) 2020	Number 2020
Outstanding at the beginning of the year	4.3590	114,300	4.6667	120,724
Granted during the year	N/A	-	N/A	-
Forfeited during the year	4.0088	(4,662)	4.4796	(6,424)
Exercised during the year	4.1299	(73,466)	N/A	-
Expired during the year	N/A	-	N/A	-
OUTSTANDING AT THE END OF THE YEAR	4.8695	36,172	4.6772	114,300

At the year end, 32,848 share options (2020 - 105,332) were exercisable by employees of the Company.

BIOCHROM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

25. SHARE BASED PAYMENTS (CONTINUED)

	2021 £	2020 £
SHARE OPTION CHARGE		
Equity-settled schemes	<u>38,143</u>	<u>83,036</u>

The fair value of the equity-settled options is measured at the grant date using the Black-Scholes option pricing model taking into account the terms and conditions upon which the instruments were granted. The services received are recognised over the expected vesting period. Until the liability is settled it is remeasured at each reporting date with changes in fair value recognised in the Statement of Comprehensive Income.

26. PENSION SCHEMES

Defined contribution pension scheme

The Company operates a defined contribution pension scheme. Contributions payable for the year are charged to the Statement of Comprehensive Income and amounted to £164,904 (2020 - £173,255). Contributions of £16,262 (2019 - £16,683) were outstanding at the end of the financial year and included in other creditors.

BIOCHROM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

26. PENSION SCHEMES (Continued)

BIOCHROM PENSION SCHEME

Defined benefit pension scheme

The Company operates a defined benefit pension scheme in the UK called the Biochrom Pension Scheme. This is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities. Contributions are charged to the Statement of Comprehensive Income so as to spread the cost of pensions over employees' working lives with the Company. The contributions payable to this funded scheme are determined by a qualified independent actuary using the projected unit method. The assumptions which have the most significant effect on these calculations and on the results of the valuation are those relating to the rate of return on investment and the rates of increase in salaries and pensions. A full actuarial valuation was carried out at 31 December 2017 and updated to 31 December 2021 for FRS 102 purposes by a qualified actuary, Mercer Limited, independent of the scheme's sponsoring employer.

The market value of assets at 31 December 2021 was £17,702,000 (2020 - £15,204,000). The assets are held separately from those of the Company being invested with investment managers in a managed fund. The assets are the result of the transfer of funds from the Pharmacia UK Pension fund in the year ended 31 December 1999.

The Company going forward is making recovery plan contributions at the rate of £52,583 per month (2020 - £52,583). Company contributions of 24.4% of pensionable earnings, and employees' contributions at the rate of 7% of pensionable earnings, ceased to be payable when accrual of pension benefits ceased with effect from 2 January 2014.

Fair value of assets, present values of defined benefit obligation and defined benefit liability in the scheme are as follows:

	2021	2020
	£	£
Fair value of plan assets	17,702,000	15,204,000
Present value of plan liabilities	(14,585,000)	(16,225,000)
Unrecognised surplus	(3,117,000)	-
NET PENSION SCHEME ASSET/(LIABILITY)	-	(1,021,000)

BIOCHROM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

26. PENSION SCHEMES (Continued)

BIOCHROM PENSION SCHEME (Continued)

Reconciliation of fair value of plan assets:

	2021 £	2020 £
At the beginning of the year	15,204,000	13,927,000
Interest income	215,000	281,000
Contributions paid by the Company	631,000	584,000
Benefits paid and expenses	(362,000)	(371,000)
Actuarial gains	2,014,000	783,000
AT THE END OF THE YEAR	17,702,000	15,204,000

The actual return on the plan assets over the year ended 31 December 2021 was a gain of £2,229,000 (2020 - gain of £1,064,000).

Composition of plan assets is as follows:

	2021 £	2020 £
UK Equities	6,232,000	5,160,000
Overseas Equities	3,180,000	2,700,000
Corporate & Government Bonds	847,000	922,000
Index Linked Gilts	1,698,000	1,485,000
Property	452,000	181,000
Cash	1,331,000	1,320,000
Liability Driven Investment	3,962,000	3,436,000
TOTAL PLAN ASSETS	17,702,000	15,204,000

None of the fair value of the assets shown above include any direct investments in the Company's own financial instruments or any property occupied by, or other assets used by, the employer.

BIOCHROM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

26. PENSION SCHEMES (Continued)

BIOCHROM PENSION SCHEME (Continued)

Reconciliation of present value of plan liabilities:

	2021 £	2020 £
At the beginning of the year	16,225,000	13,152,000
Interest expense	225,000	259,000
Benefits paid and expenses	(362,000)	(371,000)
Actuarial losses/(gains)	(1,503,000)	3,185,000
AT THE END OF THE YEAR	14,585,000	16,225,000

The amounts recognised in profit or loss are as follows:

	2021 £	2020 £
Net interest income/(cost)	(10,000)	22,000

The amounts recognised in Other Comprehensive Income are as follows:

	2021 £	2020 £
Return on plan assets (excluding amounts included in net interest cost) - gain	2,014,000	783,000
Experience gains and losses arising on the plan liabilities - gain	1,033,000	34,000
Effects of changes in the demographic and financial assumptions underlying the present value of the plan liabilities - gain/(loss)	470,000	(3,219,000)
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - (loss)/gain	(3,117,000)	775,000
TOTAL	400,000	(1,627,000)

BIOCHROM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

26. PENSION SCHEMES (Continued)

BIOCHROM PENSION SCHEME (Continued)

The value of the scheme's liabilities has been determined by a qualified actuary based on the results of the triennial valuation of the qualified actuary updated for FRS 102 purposes to 31 December 2021 and 31 December 2020.

	2021	2020
	% per	% per
	annum	annum
Discount rate	1.8	1.4
Inflation (RPI)	3.45	3.0
Inflation (CPI)	3.05	2.6
Salary growth	n/a	n/a
Allowance for commutation of pension for cash at retirement	98% of post a day	100% of post a day
Mortality table	S3PMA CMI 2020	S3PMA CMI 2019

The assumptions used by the actuary are the best estimates chosen by management from a range of possible actuarial assumptions which, due to the time scale covered, may not necessarily be borne out in practice.

The mortality assumptions adopted at 31 December 2021 and 31 December 2020 imply the following life expectancies:

	Life expectancy at age 65 Years 2021	Life expectancy at age 65 Years 2020
Male retiring in 2021 / 2020	22.2	22.1
Female retiring in 2021 / 2020	24.0	23.8
Male retiring in 2041 / 2040	23.6	23.4
Female retiring in 2041 / 2040	25.5	25.3

The best estimate of contributions to be paid by the employer to the scheme for the year commencing 1 January 2022 is £300,000.

BIOCHROM LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

26. PENSION SCHEMES (Continued)

HARVARD APPARATUS LIMITED RETIREMENT BENEFIT SCHEME

Defined benefit pension scheme

The Company operates a defined benefit pension arrangement called the Harvard Apparatus Limited Retirement Benefits Scheme (the "Scheme"). The Scheme provides benefits based on salary and length of service on retirement, leaving service or death. The Scheme was closed to future accrual on 31 July 2013, on this date all active members of the Scheme became deferred pensioners.

The Company expects to contribute £100,000 to the Scheme over the year to 31 December 2022. The following disclosures exclude any allowance for other pension schemes operated by the Company.

The Scheme is subject to the Statutory Funding Objective under the Pensions Act 2004. A valuation of the Scheme is carried out at least once every three years to determine whether the Statutory Funding Objective is met. As part of the process the Company must agree with the Trustees of the Scheme the contributions to be paid to address any shortfall against the Statutory Funding Objective.

The Scheme's liabilities as at 31 December 2021 have been calculated by updating the calculations carried out for the initial results of the formal actuarial valuation as at 31 December 2017. The data and benefits used in that valuation were summarised in Barnett Waddingham LLP's valuation report dated 13 June 2018.

The Scheme's liabilities as at 31 December 2017 were calculated by updating the calculations carried out for the initial results of the formal actuarial valuation as at 31 December 2014. The data and benefits used in that valuation were summarised in Barnett Waddingham LLP's valuation report dated 7 March 2016.

Fair value of assets, present values of defined benefit obligation and defined benefit liability in the scheme are as follows:

	2021 £	2020 £
Fair value of plan assets	2,559,000	2,418,000
Present value of plan liabilities	(2,190,000)	(2,570,000)
Unrecognised surplus	(369,000)	-
NET PENSION SCHEME ASSET/(LIABILITY)	-	(152,000)

BIOCHROM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

26. PENSION SCHEMES (Continued)

HARVARD APPARATUS LIMITED RETIREMENT BENEFIT SCHEME (Continued)

Reconciliation of fair value of plan assets:

	2021 £	2020 £
At the beginning of the year	2,418,000	2,171,000
Interest income	33,000	47,000
Contributions paid by the Company	127,000	118,000
Benefits paid and expenses	(196,000)	(124,000)
Actuarial gains	177,000	206,000
AT THE END OF THE YEAR	2,559,000	2,418,000

The actual return on the plan assets over the year ended 31 December 2021 was a gain of £210,000 (2020 - gain of £253,000).

Composition of plan assets is as follows:

	2021 £	2020 £
LGIM Liability Driven Investment Fund	292,000	370,000
LGIM Diversified Growth Fund	964,000	985,000
LGIM Global Equity Fund	1,216,000	1,013,000
Cash	87,000	50,000
TOTAL PLAN ASSETS	2,559,000	2,418,000

None of the fair value of the assets shown above include any direct investments in the Company's own financial instruments or any property occupied by, or other assets used by the employer.

BIOCHROM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

26. PENSION SCHEMES (Continued)

HARVARD APPARATUS LIMITED RETIREMENT BENEFIT SCHEME (Continued)

Reconciliation of present value of plan liabilities:

	2021 £	2020 £
At the beginning of the year	2,570,000	2,117,000
Past service costs	-	13,000
Interest expense	35,000	44,000
Benefits paid and expenses	(196,000)	(124,000)
Actuarial (gains) / losses	(70,000)	520,000
Experience gains	(149,000)	-
AT THE END OF THE YEAR	2,190,000	2,570,000

The amounts recognised in profit or loss are as follows:

	2021 £	2020 £
Past service costs	-	(13,000)
Net interest (cost)/income	(2,000)	3,000
TOTAL	(2,000)	(10,000)

The amounts recognised in Other Comprehensive Income as follows:

	2021 £	2020 £
Return on plan assets (excluding amounts included in net interest cost) - gain	177,000	206,000
Experience gains and losses arising on the plan liabilities - gain	149,000	-
Effects of changes in the demographic and financial assumptions underlying the present value of the plan liabilities - gain/(loss)	70,000	(520,000)
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - (loss)/gain	(369,000)	54,000
TOTAL	27,000	(260,000)

BIOCHROM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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26. PENSION SCHEMES (Continued)

HARVARD APPARATUS LIMITED RETIREMENT BENEFIT SCHEME (Continued)

The value of the scheme's liabilities has been determined by a qualified actuary based on the results of the triennial valuation of the qualified actuary updated for FRS 102 purposes to 31 December 2021 and 31 December 2020.

	2021 % per annum	2020 % per annum
Discount rate	1.9	1.4
Inflation assumption (RPI)	3.4	3.1
Inflation assumption (CPI)	3.1	2.75
Allowance for commutation of pension for cash at retirement	100% of post a day	100% of post a day
Mortality table	S2PA CMI 2020	S2PA CMI 2019

The assumptions used by the actuary are the best estimates chosen by management from a range of possible actuarial assumptions which, due to the time scale covered, may not necessarily be borne out in practice.

The mortality assumptions adopted at 31 December 2021 and 31 December 2020 imply the following life expectancies:

	Life expectancy at age 65 Years 2021	Life expectancy at age 65 Years 2020
Male retiring in 2021 / 2020	21.9	21.6
Female retiring in 2021 / 2020	24.3	23.6
Male retiring in 2041 / 2040	25.3	23.0
Female retiring in 2041 / 2040	25.8	25.1

BIOCHROM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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26. PENSION SCHEMES (Continued)

COMBINED BIOCHROM AND HARVARD APPARATUS LIMITED RETIREMENT BENEFIT SCHEMES

The combined effect of the two defined benefit pension schemes operated by the Company disclosed above is as follows:

	2021 £	2020 £
Fair value of plan assets	20,261,000	17,622,000
Present value of plan liabilities	(16,775,000)	(18,795,000)
Unrecognised surplus	(3,486,000)	-
NET PENSION SCHEME ASSET/(LIABILITY)	-	(1,173,000)

Reconciliation of fair value of plan assets:

	2021 £	2020 £
At the beginning of the year	17,622,000	16,098,000
Interest income	248,000	328,000
Contributions paid by the Company	758,000	702,000
Benefits paid and expenses	(558,000)	(495,000)
Actuarial gains	2,191,000	989,000
AT THE END OF THE YEAR	20,261,000	17,622,000

Plan assets split by scheme:

	2021 £	2020 £
Biochrom Pension Scheme	17,702,000	15,204,000
Harvard Apparatus Limited Retirement Benefit Scheme	2,559,000	2,418,000
TOTAL PLAN ASSETS	20,261,000	17,622,000

BIOCHROM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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26. PENSION SCHEMES (Continued)

**COMBINED BIOCHROM AND HARVARD APPARATUS LIMITED RETIREMENT BENEFIT SCHEMES
(Continued)**

Reconciliation of present value of plan liabilities:

	2021 £	2020 £
At the beginning of the year	18,795,000	15,269,000
Past service costs	-	13,000
Interest expense	260,000	303,000
Benefits paid and expenses	(558,000)	(495,000)
Actuarial (gains)/losses	(1,573,000)	3,705,000
Experience gains	(149,000)	-
AT THE END OF THE YEAR	16,775,000	18,795,000

Plan liabilities split by scheme:

	2021 £	2020 £
Biochrom Pension Scheme	14,585,000	16,225,000
Harvard Apparatus Limited Retirement Benefit Scheme	2,190,000	2,570,000
TOTAL PLAN LIABILITIES	16,775,000	18,795,000

The amounts recognised in profit or loss are as follows:

	2021 £	2020 £
Past service costs	-	(13,000)
Net interest (cost) / income	(12,000)	25,000
TOTAL	(12,000)	12,000

BIOCHROM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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26. PENSION SCHEMES (Continued)

**COMBINED BIOCHROM AND HARVARD APPARATUS LIMITED RETIREMENT BENEFIT SCHEMES
(Continued)**

The amounts recognised in Other Comprehensive Income are as follows:

	2021 £	2020 £
Return on plan assets (excluding amounts included in net interest cost) - gain	2,191,000	989,000
Experience gains and losses arising on the plan liabilities - gain	1,182,000	34,000
Effects of changes in the demographic and financial assumptions underlying the present value of the plan liabilities - gain/(loss)	540,000	(3,739,000)
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - (loss)/gain	(3,486,000)	829,000
TOTAL	427,000	(1,887,000)

The combined cumulative amount of actuarial gains and losses recognised in Other Comprehensive Income is a gain of £2,972,000 (2020 - gain of £2,545,000).

27. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
LAND AND BUILDINGS		
Not later than 1 year	81,537	81,537
Later than 1 year and not later than 5 years	197,049	278,586
	278,586	360,123
	2021 £	2020 £
OTHER OPERATING LEASES		
Not later than 1 year	10,564	9,293
Later than 1 year and not later than 5 years	29,049	-
	39,613	9,293

BIOCHROM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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28. RELATED PARTY TRANSACTIONS

As the Company is a wholly owned subsidiary, the company has taken advantage of the exemption contained in FRS102 paragraph 33.1A and has therefore not disclosed transactions or balances with entities forming part of the group (or with investors of the group qualifying as related parties).

A fixed and floating charge over assets of the Company has been provided as security against financing held by the Harvard Bioscience, Inc. group.

29. CONTROLLING PARTY

The immediate and ultimate parent company is Harvard Bioscience, Inc., a company incorporated in USA.

Harvard Bioscience, Inc., the ultimate controlling party, is the head of the smallest and largest group of companies for which consolidated accounts incorporating the results of Biochrom Limited are publically available. Copies of the consolidated financial statements of Harvard Bioscience, Inc. are available to the public from Harvard Bioscience, Inc., 84 October Hill Road, Holliston MA, 01746-1371, USA.