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Oxoid Limited

Annual report and financial statements for
the year ended 31 December 2019

Company registration number: 03291857

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OXOID LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

Contents	Page(s)
Officers and Professional Advisers	3
Strategic Report for the Year Ended 31 December 2019	4 - 7
Directors' Report for the Year Ended 31 December 2019	8 - 10
Independent Auditors' report to the members of Oxoid Limited	11 - 12
Financial Statements for the Year Ended 31 December 2019:	
• Profit and Loss Account	13
• Statement of Comprehensive Income	14
• Balance Sheet	15
• Statement of Changes in Equity	16
Notes to the Financial Statements for the Year Ended 31 December 2019	17 - 45

OXOID LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Directors

A Smith
D Norman
E Cameron
S W Ahmed

Company Secretary

Oakwood Corporate Secretary Limited
R Gregg

Registered office

3rd Floor
1 Ashley Road
Altrincham
WA14 2DT

Bankers

Barclays Bank
1 Churchill Place
London
E14 5HP

Solicitors

Addleshaw Goddard
1 St Peter's Square
Manchester
M2 3DE

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
The Atrium
1 Harefield Road
Uxbridge
UB8 1EX

OXOID LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their strategic report on the company for the year ended 31 December 2019.

Review of the business and future developments

The directors are satisfied with the performance in the year, with good turnover growth and an increase in operating margins, excluding exceptional items. The directors expect to see continued operational growth in the future, and given improving market conditions this is expected to be greater than observed during 2019.

Oxoid Limited will continue to operate in its existing markets

During the year exceptional costs of £139,000 were recorded in respect of a reorganisation (2018: exceptional costs of £242,000).

The company continues to invest in research and development. This is expected to maintain and expand the company's firm positioning in the market. Research and development expenditure during the year was £4,050,000 (2018: £4,078,000).

Key performance indicators (KPI's)

The directors believe that the key performance indicators ('KPIs') are revenue growth and profitability.

Total revenue has decreased from £137,918,000 to £136,607,000 as a result of decline in intercompany sales of Prepared Media and the discontinuation of the MICE product range.

Loss for the financial year was £39,349,000 (2018: Loss £3,802,000) which will be transferred to reserves. The increase in loss is largely due to investment impairment.

Cost of sales has increased at a proportionally higher rate than revenue resulting in a decrease in gross profit margins to 26% (2018: 29%), due primarily to movements in product mix and a decrease in sales of the Prepared Media and MICE product ranges.

Total operating margins decreased in relation to sales to -4% (2018: 2%). This is primarily attributable to increased administration costs.

Employee numbers increased to 440 (2018: 405) in the year.

Net assets at 31 December 2019 were £300,754,000 (2018: £342,461,000).

Statement by the directors of their statutory duties in accordance with Section 172(1) of the Companies Act 2006

The directors of the company must act in accordance with a set of general duties. These duties are detailed in section 172 of the Companies Act 2006 which is summarised as follows:

'Each director of the company has acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long term,
- the interests of the company's employees,
- the need to foster the company's business relationships with suppliers, customers and others,
- the impact of the company's operations on the community and the environment,
- the desirability of the company maintaining a reputation for high standards of business conduct,
- the need to act fairly as between members of the company.'

OXOID LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

As part of the director induction process, a director is briefed on their duties and they can access professional advice on these from the company secretary. The following paragraphs summarise how the directors' fulfil their duties.

Risk management

As we continue to grow our business our risk environment also becomes more complex. It is therefore vital that we effectively identify, evaluate, manage and mitigate the risks we face and that we continue to evolve our approach to risk management.

For details of our principal risks and uncertainties and how we manage those risks, please refer to the principal risks section within the Strategic Report.

Business relationships

Our mission is to enable our customers to make the world healthier, cleaner and safer and as a result of this mission we have created a culture where our customers come first. Part of our business strategy is to continue to strengthen our company to be the partner customers rely on to help them achieve their goals. This is achieved through delivering a unique value proposition to our customers.

As a company we place great importance on building and maintaining strong relationships with our suppliers. The company is committed to meeting payment terms agreed with suppliers and we seek to resolve queries in an efficient and professional manner.

Our colleagues

None of our accomplishments would be possible without our team. Inspired by our mission, and grounded by our 4i values (integrity, intensity, innovation and involvement) this motivates our team to bring their best every day. It also helps us to attract and retain talent which is critical to our future.

We invest in our colleagues through numerous development programs that enrich their individual experiences, stress the importance of teams and build skills that set them up for success.

Further information can be found in the Directors' Report.

Community and environment

Our Mission is to enable our customers to make the world healthier, cleaner and safer. One way that we fulfil our Mission is by being a socially responsible community partner. Our giving strategy includes educational programs, colleague donations and volunteering.

Our signature STEM education programs connect students and colleagues through hands on and team based activities that highlight our technologies, make connections to careers in STEM and demonstrate how our company impacts the world.

To promote the generous spirit of our colleagues, our Charitable Giving Program provides a platform that allows them to contribute to causes that they feel passionately about. Through the program, employees can make direct donations to a charity of their choice, create a fundraiser - gathering greater support for a cause, or contribute to support a disaster relief campaign. Through our Employee Matching Gift program, we help employees make an even bigger impact by matching their contribution to eligible charities by 50%.

We feel it is important to support our community, throughout the year we encourage employees to take part in volunteering and charity events where our employees, together with our charity partners, take part in hands on volunteering.

The company is a part of Thermo Fisher Scientific Inc.'s global strategy to reduce our carbon footprint by 30% by 2030. As part of this global initiative we are committed to reviewing and reducing greenhouse gas emissions.

OXOID LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Principal risks and uncertainties

The management of the business is subject to a number of risks including commercial risk, price risk, credit risk, currency risk and interest rate cash flow risk. The mitigation of these risks has been outlined below.

Commercial risk

The company continues to improve its services in order to maintain and develop its market place penetration as evidenced by the investment in research and development of new products. The company is faced with risk of drop in demand.

Financial risk management

The company's operations exposes it to a variety of financial risks that include the effects of changes in price risk, credit risk, currency risk and interest rate cash flow risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs.

In order to ensure stability of cash outflows and hence manage interest rate risk, the company is supported by fellow group operations. The company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department. The department has a policy and procedures manual that sets out specific guidelines to manage interest rate risk, credit risk and circumstances where it would be appropriate to use financial instruments to manage these.

Price risk

The company is exposed to commodity price risk as a result of its operations. However, given the size of the company's operations, the costs of managing exposure to commodity price risk exceed any potential benefits. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is continually reviewed by the senior management team.

Currency risk

The company is exposed to currency risk as a result of its operations. However, given the size of the company's operations, the cost of managing the exposure to currency risk through the use of derivative financial instruments exceeds any potential benefits, and as such no hedge accounting is applied. The company operates foreign currency bank accounts in order to offset foreign currency receipts and payments.

Interest rate cash flow risk

The company has both interest bearing assets and interest bearing liabilities. Interest bearing assets include cash balances and group loans, all of which earn interest at fixed and variable rates. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature. Interest payable is on bank loans and overdrafts and therefore management of cash flows is taken account of as part of the group's financing activity.

OXOID LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Principal risks and uncertainties (continued)

Brexit

On 23 June 2016 the UK held a referendum on the UK's continuing membership of the European Union the outcome of the vote determined that the United Kingdom would leave the European Union. As a result the United Kingdom left the European entity on 31 January 2020 and entered into a period of transition. Until the Brexit transitional period and negotiations have concluded it is difficult to anticipate the potential impact on the company. The company continues to monitor the developments and potential impacts of Brexit.

COVID 19

The company has assessed the risks and uncertainties associated with the ongoing COVID-19 global pandemic and they do not believe that they will materially affect the company's operation. The management team have implemented various protocols and procedures to mitigate the operating risk which has allowed the business to continue to operate as normal. The company continues to monitor the developments and potential impacts of the pandemic.

On behalf of the board

DocuSigned by:

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E Cameron

Director

22 October 2020

OXOID LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the audited financial statements of the company for the year ended 31 December 2019.

Review of the business and future developments

Future developments are deemed to be of strategic importance to the company and as such have been outlined within the strategic report. Included in the loss for the year was an impairment recorded for the investments held of £54,934,000 following a review of the performance of its subsidiaries.

Dividends

During the year the directors made an interim payment of a dividend of £nil (2018: £3,000,000). The directors do not recommend the payment of a final dividend.

Financial risk management

Disclosures relating to these areas are included in the strategic report.

Directors

The directors who held office during the year and up to the date of signing the financial statements are given below:

A Smith	
D Norman	
E Cameron	
L Grant	(resigned 3 December 2019)
S W Ahmed	(appointed 23 March 2020)
C Dartiguelongue	(resigned 28 April 2020)

Third party indemnity provision

The company has made qualifying third party indemnity provisions for the benefit of its directors (which extend to the performance of any duties as a director of any associated company) and these were in force during the year and they remain in force at the date of this report.

Research and development

Disclosures relating to research and development activities are included in the strategic report.

Employees

The company recognises the benefit of keeping employees informed of the progress of the business and of involving them in the company's performance and, accordingly, maintains regular communications with employees and has well established consultation arrangements that include the following:

- systematic provision of relevant information to employees;
- regular consultation with employees or their representatives so that the employees' views may be taken into account in making decisions that are likely to affect their interests;
- encouragement of employees' participation in the group's performance through employee share schemes; and
- achieving awareness on the part of all employees of the financial and economic factors affecting the group's performance.

OXOID LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Disabled employees

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a disabled person.

Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion wherever appropriate.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 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.

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.

Stakeholder engagement statement

For details on stakeholder engagements, please see the 'Business Relationships' section of the Strategic Report.

Employee engagement statement

For details on employee engagements, please see the 'Our Colleagues' section of the Strategic Report.

OXOID LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Statement of disclosure of information to auditors

Each of the persons who are a director at the date of approval of this report confirms that:

- So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- Each director has taken all the steps that he/she should have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the annual general meeting.

On behalf of the board

DocuSigned by:

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E Cameron
Director

22 October 2020

OXOID LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OXOID LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Oxoid Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements for the year ended 31 December 2019 (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2019; the Profit and Loss Account, the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

OXOID LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OXOID LIMITED

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 9, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Alex Crompton (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Uxbridge
22 October 2020

OXOID LIMITED**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019****PROFIT AND LOSS ACCOUNT**

		<u>Year ended 31 December</u>	
	Note	2019 £'000	2018 £'000
Turnover	5	136,607	137,918
Cost of sales		(100,530)	(97,963)
Gross profit		36,077	39,955
Distribution costs		(7,809)	(6,891)
Administrative expenses		(34,229)	(29,916)
Exceptional Items	6	(139)	(242)
Operating (loss) / profit		(6,100)	2,906
Investment impairment	13	(54,934)	(10,847)
Income from shares in group undertakings		20,300	3,000
Loss before interest and taxation		(40,734)	(4,941)
Other Interest receivable and similar income	8	2,324	2,049
Interest payable and similar expenses	8	(907)	(646)
Net interest income	8	1,417	1,403
Loss before taxation		(39,317)	(3,538)
Tax on loss	9	(32)	(264)
Loss for the financial year		(39,349)	(3,802)

Results in the current and previous financial year are from continuing operations only.

The notes on pages 17 - 45 are an integral part of these financial statements.

OXOID LIMITED**STATEMENT OF COMPREHENSIVE INCOME**

		<u>Year ended 31 December</u>	
	Note	2019	2018
		£'000	£'000
Loss for the financial year		(39,349)	(3,802)
Other comprehensive (expense) / income:			
Actuarial loss on post retirement provision	17	(4,281)	(1,637)
Movement on deferred tax relating to pension deficit	19	728	278
Total tax on components of other comprehensive income	19	728	278
Other comprehensive expense for the year, net of tax		(3,553)	(1,359)
Total comprehensive expense for the year		(42,902)	(5,161)

The notes on pages 17 - 45 are an integral part of these financial statements.

OXOID LIMITED

BALANCE SHEET

		<u>As at 31 December</u>	
	Note	2019 £'000	2018 £'000
Fixed assets			
Intangible assets	11	4,636	6,189
Tangible assets	12	18,586	14,657
Investments	13	82,930	137,863
		106,152	158,709
Current assets			
Inventories	14	17,434	13,887
Debtors	15	222,673	193,732
Cash at bank and in hand		1,476	17,649
		241,583	225,268
Creditors: amounts falling due within one year	16	(46,824)	(40,707)
Net current assets		194,759	184,561
Total assets less current liabilities		300,911	343,270
Creditors: amounts falling due after more than one year	17	—	—
Provisions for liabilities	18	(157)	(810)
Net assets		300,754	342,460
Capital and reserves			
Called up share capital	21	31,010	31,010
Share premium account		80,303	80,303
Capital contribution		8,103	8,103
Retained earnings		181,338	223,044
Total equity		300,754	342,460

The notes on pages 17 - 45 are an integral part of these financial statements.

The financial statements on pages 13 - 45 were authorised for issue by the board of directors on 22 October 2020 and were signed on its behalf

DocuSigned by:

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E Cameron

Director

Oxoid Limited

Company registration number: 03291857

OXOID LIMITED**STATEMENT OF CHANGES IN EQUITY**

for the year ended 31 December 2019

		£'000	£'000	£'000	£'000	£'000
	Note	Called-up share capital	Share premium account	Capital contribution	Retained earnings	Total equity
Balance as at 1 January 2018		31,010	80,303	8,103	230,706	350,122
Loss for the financial year		—	—	—	(3,802)	(3,802)
Other comprehensive expense for the year		—	—	—	(1,359)	(1,359)
Total comprehensive expense for the year		—	—	—	(5,161)	(5,161)
Credit relating to equity-settled share-based payments	10	—	—	—	1,427	1,427
Charge from parent for equity-settled share-based payments	10	—	—	—	(928)	(928)
Dividends	21	—	—	—	(3,000)	(3,000)
Total transactions with owners, recognised directly in equity		—	—	—	(2,501)	(2,501)
Balance as at 31 December 2018		31,010	80,303	8,103	223,044	342,460
Balance as at 1 January 2019		31,010	80,303	8,103	223,044	342,460
Loss for the financial year		—	—	—	(39,349)	(39,349)
Other comprehensive expense for the year		—	—	—	(3,553)	(3,553)
Total comprehensive expense for the year		—	—	—	(42,902)	(42,902)
Credit relating to equity-settled share-based payments	10	—	—	—	1,196	1,196
Charge from parent for equity-settled share-based payments	10	—	—	—	—	—
Dividends	21	—	—	—	—	—
Total transactions with owners, recognised directly in equity		—	—	—	1,196	1,196
Balance as at 31 December 2019		31,010	80,303	8,103	181,338	300,754

OXOID LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General Information

Oxoid Limited ('the company') is incorporated in England and manufactures and sells diagnostic media and other associated products for use in microbiology laboratories. The company has manufacturing plants in the UK and sells primarily to UK and the rest of Europe.

The company is a private company limited by shares and is incorporated in the United Kingdom and registered in England. The address of its registered office is 3rd Floor, 1 Ashley Road, Altrincham, Cheshire WA14 2DT.

2. Statement of compliance

The individual financial statements of Oxoid Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102") and the Companies Act 2006, under the provision of the Large and Medium-size Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410).

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements have been prepared on a going concern basis, under the historical cost convention, as modified by the recognition of defined benefit assets and shared based payment measured at fair value.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

Going Concern

The company meets its day-to-day working capital requirements through its bank facilities. The current economic conditions continue to create uncertainty over (a) the level of demand for the company's products; and (b) the availability of bank finance for the foreseeable future. The company's forecasts and predictions, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current liabilities. After making enquiries, the directors have a reasonable expectation that the company has access to adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

OXOID LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

3. Summary of significant accounting policies (continued)

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions.

Cash flow statement and related party disclosures

The company is included in the consolidated financial statements of Thermo Fisher Scientific Inc. which are publicly available. Consequently, as the company is a 100% owned subsidiary, the company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, Thermo Fisher Scientific Inc, includes the company's cash flows in its own consolidated financial statements.

The company is also exempt under the terms of FRS 102 paragraph 33.1 from disclosing related party transactions with entities that are part of the Thermo Fisher Scientific Inc. group (see note 25).

Key Management Compensation

The company has taken advantage of the exemption under FRS 102 para 33.7 from disclosing its key management personnel compensation in total as this is disclosed in full in the consolidated group financial statements.

Consolidated financial statements

The financial statements contain information about Oxoid Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent company, Thermo Fisher Scientific Inc., a company incorporated in the United States of America (see note 25). The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Thermo Fisher Scientific Inc.. the address of the ultimate parent's registered office is 168 Third Avenue, Waltham, MA 02451, USA.

Foreign currency

(i) Functional and presentation currency

The company's functional and presentation currency is the pound sterling.

(ii) Transactions and balances

Transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transactions is included as an exchange gain or loss in the Profit and Loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

Non-monetary items measured at historical costs 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 that relate to borrowings and cash and cash equivalents are presented in the Profit and Loss account within 'Net interest income'. All other foreign exchange gains and losses are presented in the profit and loss account within 'Cost of Sales'.

OXOID LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

3. Summary of significant accounting policies (continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount received for goods supplied or services rendered, net of returns, discounts and rebates allowed by the company and value added taxes. Revenue on services provided is recognised to the extent that contractual obligations to customers have been fulfilled.

The company bases its estimate of returns on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

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

The company recognises revenue from the sale of goods when all the following conditions are satisfied:

- (a) the entity has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (c) the amount of revenue can be measured reliably;
- (d) it is probable that the economic benefits associated with the transaction will flow to the entity; and
- (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income

Interest income is recognised using the effective interest rate method.

Exceptional items

The company classifies certain one-off charges or credits that by nature and/or have a material impact on the company's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the company.

Employee benefits

The company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined benefit and defined contribution pension plans.

- (i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

- (ii) Defined contribution pension plans

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

OXOID LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

3. Summary of significant accounting policies (continued)

Employee benefits (continued)

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs is the contribution payable in the year. Differences between contributions payable and actually paid are shown as either accruals or prepayments in the balance sheet.

(iii) Defined benefit pension plan and Post Retirement Medical Benefit Plan

The company operates a defined benefit pension scheme which was closed to future accrual on 30 September 2007 from which time membership of the defined contribution plan is available.

The company also provides additional post retirement medical benefits to retired employees. These benefits are unfunded.

Defined benefit and post retirement medical benefit plans are post-employment benefit plans other than defined contribution plans. Under such plans, the entity's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the entity. If actuarial or investment experience is worse than expected, the entity's obligation may be increased, and vice versa if actuarial or investment experience is better than expected.

In applying the general recognition principle to both plans, an entity shall recognise:

- (a) a liability for its obligations under the post employment benefit plans net of plan assets - its 'net defined benefit liability'; and
- (b) the net change in that liability during the period as the cost of its post employment benefit plans during the period.

An entity shall measure the net liability for its obligations under post employment benefit plans at the net total of the following amounts:

- (a) the present value of its obligations under post employment benefit plans (its obligation) at the reporting date; minus
- (b) the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled.

An entity shall measure its obligation on a discounted present value basis. The entity shall determine the rate used to discount the future payments by reference to market yields at the reporting date on high quality corporate bonds. In countries with no deep market in such bonds, the entity shall use the market yields (at the reporting date) on government bonds. The currency and term of the corporate bonds or government bonds shall be consistent with the currency and estimated period of the future payments.

The fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled.

An entity shall recognise the cost of a post employment benefit plan, except to the extent that another section of this FRS requires part or all of the cost to be recognised as part of the cost of an asset, as follows:

- (a) the change in the net liability arising from employee service rendered during the reporting period in profit or loss;
- (b) net interest on the net liability during the reporting period in profit or loss;
- (c) the cost of plan introductions, benefit changes, curtailments and settlements in profit or loss; and
- (d) remeasurement of the net liability in other comprehensive income.

OXOID LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

3. Summary of significant accounting policies (continued)

Annual bonus plan

The company operates an annual bonus plan for employees. An expense is recognised in the profit and loss account when the company has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

Share-based payments

Where the company participates in a share-based payment arrangement established by a group company the company takes advantage of the alternative treatment allowed under Section 26 of FRS 102. The company recognises the share-based payment expense based on an allocation of its share of the group's total expense, calculated in proportion to the number of participating employees. The corresponding credit is recognised in retained earnings as a component of equity.

Where the company is charged for the cost of share-based payments arrangements the amounts are treated as a reduction to retained earnings.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantially enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantially enacted by the period end and that are expected to apply to the reversal of the timing difference.

OXOID LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

3. Summary of significant accounting policies (continued)

Intangible assets

Goodwill

Goodwill represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired. Under the FRS102 section 18 and 19, goodwill arising on acquisitions has been capitalised and is being amortised over 20 years, being the period expected to benefit. The company evaluates the carrying value of goodwill in each financial year to determine if there has been an impairment in value, which would result in the inability to recover the carrying amount. When it is determined that the carrying value exceeds the recoverable amount, the excess is written off to the profit and loss account.

Purchased goodwill representing the trade and assets of Public Health Laboratories Service has been considered to have a finite life of seven years and is being amortised accordingly.

Other Intangibles

Patents are considered to be a pool of replenished assets, accordingly it has been determined that these have an infinite useful economic life. Again, whilst the Companies Act would normally require the systematic amortisation of these assets, directors believe that under FRS 102 section 18 the lives of such assets are indefinite and therefore a policy of not providing amortisation gives a true and fair view. Based on the projected income arising from products that are connected to no impairment write down is considered to be necessary. The impact of applying the Companies Act requirements of systematic amortisation, assuming a useful economic life of 10 years is applied, would be an annual amortisation charge of £50,000.

Other intangible assets consist of purchased know how and software costs (previously recognised as tangible assets under old UK GAAP) which has been considered to have a finite life of between four and six years and is being amortised accordingly.

The company evaluates the carrying value of goodwill each financial year to determine if there has been an impairment value, which would result in the inability to recover the carrying amount, with any excess if any, written off to the profit and loss account.

Tangible assets

Tangible fixed assets are stated at historic purchase cost, net of accumulated depreciation and any provision for impairment. Cost includes the original purchase price of the asset and costs attributable to bringing the asset into its working condition for its intended use.

Freehold land and buildings

Land and buildings include freehold and leasehold factories, retail outlets and offices. Land and buildings are stated at cost (or deemed cost for land and buildings held at valuation at the date of transition to FRS 102) less accumulated depreciation and accumulated impairment losses.

The company previously adopted a policy of revaluing freehold land and buildings and they were stated at their revalued amount less any subsequent depreciation and accumulated impairment losses. The company adopted the transition exemption under FRS 102 paragraph 35.10(d) and has elected to use the previous revaluation as deemed cost.

The difference between depreciation based on the deemed cost charged in the profit and loss account and the asset's original cost is transferred from revaluation reserve to retained earnings.

Plant, machinery, fixtures and fittings

Plant and machinery and fixtures, fittings, tools and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

OXOID LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

3. Summary of significant accounting policies (continued)

Tangible assets (continued)

Depreciation and residual values

Freehold land is not depreciated, buildings have been fully depreciated.

The fixed assets have been depreciated on a straight line basis at rates calculated to reduce the net book value of each asset to its estimated residual value by the end of its expected useful economic life in the company's business, and the rates are as follows:

Long leasehold improvements	– Over the life of the lease on a straight line basis
Freehold land and buildings	– 25 to 40 years
Plant, machinery, fixtures and fittings	– 3 to 10 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Subsequent additions and major components

Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the company and the cost can be measured reliably.

The carrying amount of any replaced component is derecognised. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Repairs, maintenance and minor inspection costs are expensed as incurred.

Assets in the course of construction

Assets under the course of construction are depreciated when they first come into use.

Derecognition

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss and included in 'Operating (losses)/gains'.

Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. The company has elected to treat the date of transition to FRS 102 (1 January 2014) as the commencement date of the capitalisation of interest on qualifying assets.

Leased assets

Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

OXOID LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

3. Summary of significant accounting policies (continued)

Lease incentives

Incentives received to enter into a finance lease reduce the fair value of the asset and are included in the calculation of present value of minimum lease payments.

Incentives received to enter into an operating lease are credited to the profit and loss account, to reduce the lease expense, on a straight-line basis over the period of the lease.

The company has taken advantage of the exemption in respect of lease incentives on leases in existence on the date of transition to FRS 102 (1 January 2014) and continues to credit such lease incentives to the profit and loss account over the period to the first review date on which the rent is adjusted to market rates.

Investments

Investments held as fixed assets are stated at cost less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Inventories are recognised as an expense in the period in which the related revenue is recognised.

Cost is determined on the first-in, first-out (FIFO) method. Cost includes the purchase price, including taxes and duties and transport and handling directly attributable to bringing the inventory to its present location and condition. The cost of manufactured finished goods and work in progress includes design costs, raw materials, direct labour and other direct costs and related production overheads (based on normal operating capacity).

At the end of each reporting period inventories are assessed for impairment. If an item of inventory is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the profit and loss account. Where a reversal of the impairment is recognised the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the profit and loss account.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Provisions and contingencies

Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

In particular:

(i) Restructuring provisions are recognised when the company has a detailed, formal plan for the restructuring and has raised a valid expectation in those affected by either starting to implement the plan or announcing its main features to those affected and therefore has a legal or constructive obligation to carry out the restructuring; and

OXOID LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

3. Summary of significant accounting policies (continued)

Provisions and contingencies (continued)

(ii) Provision is not made for future operating losses. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

Contingencies

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

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for *objective evidence of impairment*. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except for investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

OXOID LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

3. Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial liabilities

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

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Preference shares, which result in fixed returns to the holder or are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in the profit and loss account as interest expense.

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

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments.

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

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

Offsetting

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

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Distributions to equity holders

Dividends and other distributions to company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the company's shareholders. These amounts are recognised in the statement of changes in equity.

Related party transactions

The company discloses transactions with related parties which are not wholly owned within the same group. It does not disclose transactions with members of the same group that are wholly owned.

OXOID LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

4. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

(i) Multi-employer defined benefit pension scheme

Certain employees participate in a multi-employer defined benefit pension scheme with other companies in the region. In the judgment of the directors, the company does not have sufficient information on the plan assets and liabilities to be able to reliably allocate for its shares of the defined benefit obligation and plan assets to participating Group companies. As a result the Directors have chosen to report the full defined benefit scheme in the one principal company being Oxoid Limited, see note 17 for further details.

(ii) Share-based payments

The company's employees have been granted share options by the ultimate parent company, Thermo Fisher Scientific Inc. The company makes use of the exemption in Section 26 of FRS 102 to account for the expense based on a reasonable allocation of the parent company's total expense. The company has calculated its allocation of the parent company's total expense based on the number of participating employees in the company compared to the number of participating employees in the group.

The company also considered an allocation based on the relative remuneration cost of the relevant employees and considered that this gave rise to no significant differences in the allocated costs.

(iii) Exemptions on transition to FRS 102

The company has elected to use the previous UK GAAP valuation of certain items of land and buildings as the deemed cost on transition to FRS 102. The items are being depreciated from the date of transition (1 January 2014) in accordance with the company's accounting policies.

(b) Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Inventory provisioning

The company manufactures and sells scientific equipment and systems. As a result it is necessary to consider the recoverability of the cost of inventory and the associated provisioning required. When calculating the inventory provision, management considers the nature and condition of the inventory, as well as applying assumptions around anticipated sale ability of finished goods and future usage of raw materials. See note 14 for the net carrying amount of the inventory and associated provision.

OXOID LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
DECEMBER 2019****4. Critical accounting judgements and estimation uncertainty (continued)****(b) Critical accounting estimates and assumptions (continued)****(ii) Impairment of debtors**

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 15 for the net carrying amount of the debtors and associated impairment provision.

(iii) Defined benefit pension scheme

The company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 17 for the disclosures relating to the defined benefit pension scheme.

(iv) Warranty provision

Included within the standard sales value of products supplied by the company are warranties covering various periods of cover from the date of sale. Provision is made for the estimated costs expected to arise in respect of these warranty obligations.

(v) Impairment of investments

The company makes an estimate of the recoverable value of investment in its subsidiary companies. When assessing impairment of investments, management considers factors including the current results of the company for the year and the net asset position. In 2019 the review of the investment resulted in a provision £54,934,000 (2018: £10,847,000). See note 13 for the carrying amount of the investments and any associated impairment provision.

5. Turnover

Turnover by geography	2019	2018
	£'000	£'000
United Kingdom	37,716	37,818
Rest of Europe	44,384	47,994
Rest of World	54,507	52,106
	136,607	137,918
Turnover by nature	2019	2018
	£'000	£'000
Sales of goods	135,347	137,117
Rendering of services	1,260	801
	136,607	137,918

OXOID LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
DECEMBER 2019****6. Operating (loss)/profit**

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

	Note	2019 £'000	2018 £'000
Wages and salaries		22,250	20,911
Social security costs		2,294	2,160
Other pension costs	17	1,011	2,631
Share-based payments	10	1,196	1,427
Staff costs		26,751	27,129
Reorganisation expense		139	242
Loss on disposal of tangible fixed assets		—	82
Amortisation of intangible assets (included in 'administrative expenses')		1,877	1,523
Operating lease charges			
- Plant and machinery		107	66
Depreciation of tangible fixed assets			
- Owned assets		1,880	1,778
Foreign exchange loss		723	455
Audit fees payable to the company's auditors		107	105
Research and development expenditure		4,050	4,078
Exceptional items		2019 £'000	2018 £'000

During the year the company had the following exceptional items:

Cost of reorganisation	139	242
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Cost of reorganisation relate mainly to redundancy payments incurred in connection with continued reorganisation of the business.

OXOID LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
DECEMBER 2019****7. Employees and directors**

By activity	2019	2018
	Number	Number
Average monthly numbers of persons employed (including directors) by the company during the year was:		
Sales and marketing	57	56
Manufacturing	204	180
Research and development	44	40
Administration	135	129
	440	405

Directors

Directors' emoluments represent an allocation of their services to this company. Directors' emoluments were borne by another group company, Thermo Electron (Management Services) Limited.

	2019	2018
	£'000	£'000
Aggregate emoluments	29	27
Aggregate amounts (including shares) receivable under long-term incentive schemes	5	12
Company contributions to defined contribution pension scheme	2	1
	36	40

Retirement benefits accrued to no directors (2018: no directors) under a defined benefit scheme. Retirement benefits accrued to 4 (2018: 4) directors under a money purchase pension scheme.

During the year 2 directors (2018: 3 directors) exercised options over shares of Thermo Fisher Scientific Inc.

In 2019, 4 (2018: 4) directors were entitled to shares under a long-term incentive scheme.

OXOID LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
DECEMBER 2019****8. Net interest income**

Interest receivable and similar income	2019	2018
	£'000	£'000
Interest receivable from group undertakings	1,575	1,423
Interest on defined benefit pension scheme assets	732	626
Total interest income on financial assets not measured at fair value through profit or loss	2,325	2,049
Gains on derivative financial instruments	—	—
Total interest receivable and similar income	2,325	2,049
Interest payable and similar expenses	2019	2018
	£'000	£'000
Interest payable on group facilities	907	646
Total interest expense on financial liabilities not measured at fair value through profit or loss	907	646
Total interest payable and similar expenses	907	646
Net interest income	2019	2018
	£'000	£'000
Total interest receivable and similar income	2,325	2,049
Total interest payable and similar expenses	(907)	(646)
Net interest income	1,418	1,403

OXOID LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
DECEMBER 2019****9. Tax on loss**

Tax expense included in profit and loss account

	Note	2019 £'000	2018 £'000
Current tax			
UK corporation tax on loss for the year		-	235
Adjustments in respect of previous periods		43	-
Total current tax		43	235
Deferred tax			
Origination and reversal of timing differences		(341)	27
Impact of changes in tax rates		36	5
Adjustments in respect of previous periods		230	(3)
Total deferred tax	19	(75)	29
Tax on loss		(32)	264

**Tax expense included in other comprehensive
expense**

	2019 £'000	2018 £'000
Current tax	—	—
Deferred tax	—	—
- Origination and reversal of timing differences on defined benefit pension scheme	(728)	(278)
Total tax expense included in other comprehensive expense	(728)	(278)

OXOID LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019****9. Tax on loss (continued)**

Reconciliation of tax charge:

The tax assessed for the year is lower (2018: higher) than the standard rate of corporation tax in the UK 19% (2018: 19.00%). The differences are outlined below:

	2019	2018
	£'000	£'000
Loss before taxation	(39,317)	(3,538)
Loss multiplied by the standard rate of corporation tax in the UK 19% (2018: 19%)	(7,470)	(672)
Effects of:		
Expenses not deductible for tax purposes	10,791	2,352
Income not taxable	(3,857)	(570)
Transfer pricing adjustments	474	474
Shared scheme deduction	(280)	(162)
Impact of deferred tax rate change	(36)	(3)
Group relief surrendered/(claimed) for nil charge	809	(983)
Patent box deduction	(126)	(177)
Adjustments in respect of previous periods	(273)	5
Total tax charge for the year	32	264

Factors that may affect future tax charges:

Finance Bill 2016 enacted provisions to reduce the main rate of UK corporation tax to 17% from 1 April 2020. However, in the March 2020 Budget it was announced that the reduction in the UK rate to 17% will now not occur and the Corporation Tax Rate will be held at 19%. As substantive enactment is after the balance sheet date, deferred tax balances as at 31 December 2019 continue to be measured at a rate of 17%.

10. Share-based payments

Under the The Employee Incentive Programme (EIP), options and Restricted Stock Units (RSUs) are granted to employees of this company in the shares of the ultimate parent company, Thermo Fisher Scientific Inc. Options are granted with a fixed exercise price equal to the market price of the shares under option at the date of the grant. Employees do not pay an exercise price for RSUs. The contractual life of an option is 7 years from the date of the grant. Historically, options are annually granted in February or March. Options and RSUs vest over three or four years from the grant date, with equal proportions being exercisable on each anniversary, subject to continued employment.

New options and RSUs were granted in 2018 and 2019 under the Thermo Fisher Scientific Inc. plan.

The company recognises an equity-settled share-based payment expense based on a reasonable allocation of the total charge for the group. This allocation is the total charge for the group prorated for the number of participating employees of the company.

On exercise of the shares by the employees, the company is charged the intrinsic value of the shares by Thermo Fisher Scientific Inc. Charges of £1,196,000 (2018: £928,000) were recognised directly in equity.

OXOID LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019****10. Share-based payments (continued)**

Options were valued using the Black-Scholes option-pricing model. RSUs are valued at the market price at date of grant.

The fair value per option granted and the assumptions used in the calculation are as follows:

Reconciliation of options movement	2019		2018	
	Number (000)	Weighted average share price (£)	Number (000)	Weighted average share price (£)
Outstanding at 1 January	64	126.59	59	103.10
Granted	10	198.97	22	157.68
Forfeited	(3)	143.72	(7)	113.37
Transferred	3	140.65	—	—
Exercised	(29)	117.29	(10)	74.63
Outstanding 31 December	46	145.70	64	126.59
Exercisable at 31 December	24	121.61	29	109.63
Reconciliation of RSU movements	2019		2018	
	Number (000)	Weighted average share price (£)	Number (000)	Weighted average share price (£)
Outstanding at 1 January	13	—	15	—
Granted	5	—	5	—
Forfeited	(1)	—	(1)	—
Transferred	—	—	—	—
Exercised	(6)	—	(6)	—
Outstanding 31 December	11	—	13	—

Weighted average disclosures are those which are based on the options relating to all of the UK subsidiaries of the ultimate parent Thermo Fisher Scientific Inc. and are used as an approximation of the weighted average disclosures relevant to these financial statements.

OXOID LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
DECEMBER 2019****11. Intangible assets**

	Goodwill £'000	Purchased goodwill £'000	Patents £'000	Other £'000	Total £'000
Cost					
At 1 January 2019	9,025	531	500	8,846	18,902
Additions	—	—	—	329	329
Disposals	—	(531)	—	(2,483)	(3,014)
At 31 December 2019	9,025	—	500	6,692	16,217
Accumulated amortisation					
At 1 January 2019	4,512	531	—	7,670	12,713
Charge for the year	903	—	500	475	1,877
Disposals	—	(531)	—	(2,479)	(3,010)
At 31 December 2019	5,415	—	500	5,666	11,580
Net book value					
At 31 December 2019	3,610	—	—	1,026	4,636
At 31 December 2018	4,513	—	500	1,176	6,189

Intangible assets consisting of goodwill are carried at their original costs less provision for impairment. Other intangible assets consist of non-competition agreement, purchased know-how and software costs and are being amortised over the life of between four and six years.

OXOID LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
DECEMBER 2019****12. Tangible assets**

	Freehold land and buildings £'000	Plant, machinery, fixtures and fittings £'000	Leasehold improvements £'000	Total £'000
Cost				
At 1 January 2019	7,340	35,677	5,489	48,506
Additions	—	5,881	—	5,881
Transfer	—	(17)	—	(17)
Disposals	—	(291)	—	(291)
At 31 December 2019	7,340	41,250	5,489	54,079
Accumulated depreciation				
At 1 January 2019	2,887	27,161	3,801	33,849
Charge for the year	293	1,382	205	1,880
Disposals	—	(236)	—	(236)
At 31 December 2019	3,180	28,307	4,006	35,493
Net book value				
At 31 December 2019	4,160	12,943	1,483	18,586
At 31 December 2018	4,453	8,516	1,688	14,657

OXOID LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019****13. Investments**

	Subsidiary undertakings £'000
Cost as at 31 December 2018 and 31 December 2019	148,710
Provision for impairment at 1 January 2019	(10,847)
Charge for the year	(54,934)
Provision for impairment at 31 December 2019	(65,781)
Net book value as at 31 December 2019	82,929
Net book value as at 31 December 2018	137,863
Analysed as:	
Thermo Fisher Scientific (Heysham) Limited	80,704
GM Proctor Limited	2,225
	82,929

Fixed asset investments comprise equity shares in Thermo Fisher (Heysham) Limited and GM Proctor Limited, neither of which are publicly traded. Thermo Fisher (Heysham) Limited is a holding company with investments in subsidiaries comprising equity shares in Thermo Fisher (Kandel) GmbH and Avocado Research Chemicals Limited, neither of which are publicly traded.

The directors believe that the carrying value of the investments are supported by its future cash flows.

The recoverable amount has been determined based on the value-in-use calculation. This calculation used post tax projections based on the financial expectations provided by the business and covering the next financial year and estimates for the following five financial years. The growth rate used for the coming five years is 2% year on year for Avocado Research Chemicals Limited and 2% year on year for Thermo Fisher (Kandel) GmbH. Long term cash flows beyond this period are extrapolated using estimated growth rate of 2% as a conservative estimate. The assumed post tax weighted average cost of capital is 10%.

The company's subsidiaries were as follows:

	Incorporated in	Share Class	Percentage held	Activity
G & M Proctor Limited	UK +	Ordinary	100 %	Trading
Oxoid Limited	Ireland +2	Ordinary	100 %	Trading
Thermo Fisher (Heysham) Limited	UK +	Ordinary	100 %	Trading
* Thermo Fisher (Kandel) GmbH	Germany +3	Ordinary	100 %	Trading
*Avocado Research Chemicals Limited	UK +	Ordinary	100 %	Trading

* Investment held via Thermo Fisher (Heysham) Limited

OXOID LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019****13. Investments (continued)****Registered office:**

+ C26 Floor, 1 Ashley Road, Altrincham, Cheshire, WA14 2DT

+2 25/28 North Wall Quay, Dublin 1, Ireland

+3 Erlenbachweg 2, Kandel, 76870, Germany

14. Inventories

	2019	2018
	£'000	£'000
Raw materials and consumables	6,454	5,068
Work in progress	1,310	1,440
Finished goods and goods for resale	9,670	7,379
	17,434	13,887

There is no significant difference between the replacement cost of work in progress and finished goods and goods for resale and their carrying amounts.

Inventories are stated after provisions for impairment of £1,885,000 (2018: £1,964,000).

Amounts charged to the profit and loss account for inventory write off is £302,000 (2018: £107,000).

Cost of inventory recognised as an expense is £75,661,000 (2018: £73,021,000).

15. Debtors

	2019	2018
	£'000	£'000
Trade debtors due less than a year	7,190	6,249
Amounts owed by group undertakings	188,274	158,993
Other debtors	3,976	2,980
Prepayments and accrued income	711	1,122
	200,151	169,344
Debtors due after more than one year		
Post-employment benefits (note 17)	22,522	24,388
	222,673	193,732

Debtors includes £22,522,000 (2018: £24,388,000) falling due more than one year.

Trade debtors are stated after provision for bad debt of £263,000 (2018: £664,000).

Included within amounts owed by group undertakings are loans of £75,200,000 (2018: £75,200,000) which earn interest at LIBOR +2%. Cash held by group entities under the cash sweep arrangement is included under debtors as amounts owed by group undertakings and amounts to £22,146,000 (2018: £nil), this balance incurs interest at LIBOR 0.5% and it repayable on demand. Other amounts owed by group undertakings are interest free. All amounts are unsecured, and repayable on demand.

OXOID LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
DECEMBER 2019****16. Creditors: amounts falling due within one year**

	2019	2018
	£'000	£'000
Trade creditors	5,093	3,318
Amounts owed to group undertakings	36,060	34,102
Other creditors	199	—
Corporation tax	191	235
Taxation and social security	1,066	246
Accruals and deferred income	4,215	2,806
	46,824	40,707

The amounts owed to group undertakings are unsecured, bear interest at LIBOR +2% and are repayable on demand. Cash held by group entities under the cash sweep arrangement is included under creditors as amount owed to group undertakings. The management company, Life Technologies Finance Limited, shall effect quarterly the calculation for distributions of debit interest or credit interest at rate of LIBOR 0.5% among the parties and settle this accordingly on the in-house bank accounts of the participant with the management company. It is repayable on demand.

17. Post-employment benefits

The company operates a defined benefit pension scheme for its employees. The amount recognised in the Balance Sheet is as follows:

	2019	2018
	£'000	£'000
Defined benefit surplus	22,522	24,388
	22,522	24,388

The amount recognised in the profit and loss account is as follows:

	2019	2018
	£'000	£'000
Defined benefit scheme		
- Current service cost	617	346
- Past service cost	—	127
Multi-employer scheme		
Defined contribution scheme	1,011	901
Total charge in operating profit	1,628	1,374
Defined benefit scheme		
- Net interest income	(732)	(626)
Total charge	896	748

OXOID LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019****17. Post-employment benefits (continued)**

The total charge for defined contribution plans was £1,011,000 (2018: £901,000).

The liability / prepayment at the year end for the contributions payable to the defined contribution scheme is £nil (2018: £nil).

Defined benefit section

The company participates in the defined benefit section of the Oxoid Pension Scheme operated by Thermo Fisher Scientific Inc. for its UK employees, with assets held in a separately administered fund. The defined benefit scheme is now closed to future accrual.

The contributions to the group scheme in the year ended 31 December 2019 were £2,300,000 (2018: £2,300,000). No contributions to the scheme remain outstanding at 31 December 2019 (2018: £nil).

An actuarial valuation of the scheme was undertaken on 31 March 2018, by AON, consulting independent actuary. The valuation has been updated using the projected unit credit method under FRS 102 to 31 December 2019, this resulted in significant decrease in the value of both assets and liabilities of the scheme and a surplus of £22,522,000 (2018: £24,388,000) was identified.

As a result of the 31 March 2018 valuation, the company proposes a contribution of £1,000,000 during the year ending 31 December 2020 (2019: £2,300,000).

During 2019, an Enhanced Transfer Value exercise was carried out and total transfer values of £5,134,000 were paid.

An amount of £nil remains outstanding for the whole Thermo Fisher Scientific UK group to the scheme at 31 December 2019 (2018: £nil).

Principal actuarial assumptions at the balance sheet date

	2019	2018	2017
Discount rate	2.06 %	2.90 %	2.55 %
Rate of increase in salaries	2.00 %	2.25 %	2.15 %
Price inflation	3.00 %	3.25 %	3.25 %
Rate of increase in pensions in payment	3.00 %	3.25 %	3.15 %

The mortality assumptions used were as follows:

	2019	2018
	Years	Years
Longevity at age 65 for current pensioners		
- Men	22.0	22.7
- Women	23.3	23.9
Longevity at age 65 for future pensioners		
- Men	23.3	24.4
- Women	24.8	25.8

The actuarial loss on the liabilities is made up of a loss in respect of the change of assumptions and no experience gain or loss.

OXOID LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019****17. Post-employment benefits (continued)****Analysis of the defined benefit obligation**

	2019	2018
	£'000	£'000
Present value of funded defined benefit obligation	92,234	91,186

Reconciliation of scheme assets and liabilities

	Assets	Liabilities	Total
	£'000	£'000	£'000
At 1 January 2019	115,574	(91,186)	24,388
Benefits paid	(3,360)	3,360	—
Contributions by the group	2,300	—	2,300
Current service cost	(617)	—	(617)
Interest income/(expense)	3,253	(2,521)	732
Settlements	(5,134)	5,134	—
Actuarial gain/(loss)	2,740	(7,021)	(4,281)
At 31 December 2019	114,756	(92,234)	22,522

Contributions payable by the group in 2019 are £2,300,000.

Asset recognised on the balance sheet

	2019	2018
	£'000	£'000
Present value funded obligation	(92,234)	(91,186)
Fair value of scheme assets	114,756	115,574
	22,522	24,388

No amounts (2018: nil) were included in cost of assets within the balance sheet.

Total cost recognised in Other Comprehensive Income (OCI)

	2019	2018
	£'000	£'000
Asset gain/(losses) during the year	2,740	(6,728)
Liability losses/(gains)	(7,021)	5,091
	(4,281)	(1,637)

OXOID LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019****17. Post-employment benefits (continued)**

The fair value of the plan assets was:

	2019	2019	2018	2018	2017	2017
	£'000	%	£'000	%	£'000	%
Equities	23,899	21 %	31,782	28 %	40,737	35 %
Gilts	90,983	79 %	83,462	72 %	78,464	64 %
Cash	474	0 %	330	0 %	580	1 %
Total scheme assets	115,356	100 %	115,574	100 %	119,781	100 %
Expected rate of return on scheme assets	3.80 %		3.80 %		3.80 %	

The company operates a defined contribution scheme. The pension cost charge for the year represents contributions payable by the company to the fund and amounted to £1,011,000 (2018: £2,631,000). The liability / prepayment at the year end for the contributions payable to the defined contribution scheme is £nil (2018: £nil).

18. Provisions for liabilities

	Deferred tax liability	Total
	£'000	£'000
At 1 January 2019	810	810
Additions dealt with in profit and loss account	305	305
Additions dealt with in other comprehensive income	(728)	(728)
Adjustment in respect of prior periods	(230)	(230)
At 31 December 2019	157	157

OXOID LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019****19. Deferred tax liability**

	2019	2018
	£'000	£'000
Accelerated capital allowances	(3,447)	(3,011)
Pension timing differences	3,834	4,146
Other timing differences	(230)	(325)
Deferred tax liability	157	810

Provision for deferred taxation	Deferred tax liability
	£'000
At 1 January 2019	810
Credit to profit and loss account	305
Credit to other comprehensive income	(728)
Adjustment in respect of prior years	(230)
At 31 December 2019	157

The deferred tax liability is expected to reverse in future periods is £125,162 (2018: £810,000), amounts expected to reverse in the next 12 months is £31,917 (2018: £nil). The amount expected to reverse is dependant on expected tax deductions on the share-based payment arrangements and defined benefit pension scheme.

20. Financial Instruments

The company has the following financial instruments:

	2019	2018
Note	£'000	£'000
Financial assets that are debt instruments measured at amortised cost		
– Trade debtors	7,190	6,249
– Amounts owed by group undertakings	15 188,274	158,993
– Other debtors	3,976	2,980
	199,440	168,222
Financial liabilities measured at amortised cost		
– Trade creditors	5,093	3,318
– Amounts owed to group undertakings	16 36,060	34,102
– Other taxation and social security	1,066	246
	42,219	37,666

Derivative financial instruments

The company has no interest rate derivative financial instruments (2018: none).

OXOID LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019****21. Called up share capital**

	2019	2018
	£	£
Allotted and fully paid		
31,010,000 (2018: 31,010,000) ordinary shares of £1	31,010,000	31,010,000

	2019	2018
	£	£
Dividends		
Dividend of 0p per £1 ordinary share (2018: 9.67p)	—	(3,000,000)

22. Contingent assets and liabilities

The company is a participant in a group banking arrangement under which all surplus cash balances are held as collateral for bank facilities advanced to group members. No liability is expected to arise under this arrangement.

At 31 December 2019, the company had advance bank guarantees of £nil (2018: £nil) and deferment bank guarantees in favour of HM Revenue and Customs of £200,000 (2018: £200,000).

The company receives a recharge from the ultimate parent in respect of share-based payment awards. This recharge is recorded in the financial statements when it is paid. The recharge is based on the exercise of awards by employees, so the timing and amount of the recharge for future years is reliant on uncertain future events, and the liability is therefore disclosed as contingent.

23. Capital and other commitments

	2019	2018
	£'000	£'000
Contracts authorised for future capital expenditure not provided in the financial statements	572	1,271

The company had the following minimum lease payments under non-cancellable operating leases for each of the following periods:

	2019	2018
	£'000	£'000
Plant and machinery and vehicles		
Within one year	92	102
Within two to five years	173	12
	265	114

The company has no other off-balance sheet arrangements.

OXOID LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

24. Related party transactions

See note 7 for disclosure of the directors' remuneration and key management compensation.

The company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the Group.

25. Controlling parties

The immediate parent undertaking is Oxoid Holdings Limited whose registered office is 3rd Floor, 1 Ashley Road, Altrincham, Cheshire WA14 2DT.

The ultimate parent undertaking and controlling party is Thermo Fisher Scientific Inc. which is the largest and smallest group to consolidate these financial statements. The company is incorporated in the United States of America and its common stock is listed on the New York Stock Exchange. Copies of the financial statements of the ultimate parent company are publicly available and can be obtained from its headquarters at 168 Third Avenue, Waltham, MA 02451, USA.

26. Non adjusting post balance sheet events

At present, the Company has not identified any material continuity-risks specifically associated with COVID-19, but continues to monitor situation carefully, working with governments and all relevant bodies. During the first six months of 2020, the Company experienced higher than expected sales on certain products as a result of COVID-19 and have considered this in assessing their provisions. The Company also continues to monitor the collectability of its receivables, and have noted no significant change in the expected recoverability. As COVID-19 is a non-adjusting post balance sheet event, no adjustments have been made in this financial statements