

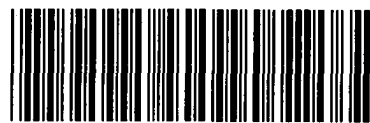
Registration number: 00106789

Whatman International Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2019

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Whatman International Limited

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Whatman International Limited

Strategic Report

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

Fair review of the business

The directors measure the achievement of the company's objectives through the use of quantitative assessments and, where quantitative measure are less relevant through the use of qualitative assessments.

On 5 February 2019, the company reduced the nominal value of its preference shares of £1 to preference shares of £0.10 each. As a result the company reduced its share capital from £62,296,941 (comprising 680,000 ordinary shares of £1 each and 61,616,941 preference shares of £1 each) to 6,841,694 (comprising 680,000 ordinary shares of £1 each and 61,616,941 preference shares of £0.10 each) creating distributable reserves of £55,455,247.

On the same date, GE Healthcare UK Limited repaid to the company £234,846,100 comprising a principal amount of £230,000,000 and accrued interest up to 5 February 2019 of £4,846,100.

On the same date, the company paid an interim dividend of £265,000,000 to Whatman Limited, its immediate parent undertaking.

On 12 June 2019, the company sold certain intangible property to GE Healthcare Biotechnologies systems Limited, a fellow group company, for £23,212,800.

Whatman International Limited

Strategic Report

The company's key financial and other performance indicators during the year were as follows:

Key performance indicators (KPIs)

	2019	2018	Comments
Turnover (£ million)	21.1	31.9	Turnover consists of royalty income.

Principal risks and uncertainties

The company is subject to certain risks and uncertainties and a description of the principal risks and uncertainties facing the company are outlined below.

- Regulatory risk

The company is subject to laws and regulations that impose on it certain requirements such as the Companies Act 2006. Tax legislation and obligations related to the environment protection of land. Accordingly the company may be affected in the future from new regulations or changes to existing legislation.

- Interest rate risk

The company finances its operations through a mixture of equity share capital, retained profits, cash at bank and amounts owed by group undertakings, which are based on floating rates of interest. The exposure to market movements in the interest rates arising from floating rates of interest has not been hedged during the year.

- Liquidity risk

The company has in place amounts owed by group undertakings which the company may require repayment at short notice and has the facility with the other group undertakings which enables it to draw down funds as required in order to meet the company's obligations in the normal course of business. The amounts owed by group undertakings and the facility in place enable the company's liquidity to be maintained and liabilities to be settled as they fall due.

Approved by the Board on 23 September 2020 and signed on its behalf by:



K A Jones
Director

Whatman International Limited

Directors' Report

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

Principal activity

The company enters into licensing arrangements with other group companies for the use of its intellectual property.

Results and dividends

The profit for the year, after taxation, amounted to £40,709,000 (2018: £32,967,000).

On 5 February 2019, the company paid an interim dividend of £265,000,000 to Whatman Limited, its immediate parent undertaking (2018: £nil).

The directors do not recommend payment of a final dividend (2018: £nil).

Directors of the company

The directors who held office during the year and up to the date of the directors' report were as follows:

K M O'Neill (resigned 23 April 2020)

M De Los Angeles Khoury Gonzalo (resigned 23 September 2019)

I Dale (appointed 24 September 2019 and resigned 23 April 2020)

K A Jones (appointed 14 November 2019)

S Dhillon (appointed 23 April 2020)

Post balance sheet events

The COVID-19 pandemic has significantly impacted global economies, resulting in workforce and travel restrictions, supply chain and production disruptions and reduced demand and spending across many sectors. During the latter part of the first quarter of 2020, these factors began having an adverse impact on our operations. While the effects of these events cannot be estimated at our report release date, we anticipate that market uncertainties will continue in the foreseeable future depending on the severity and duration of the pandemic. Such effects and the required mitigating actions will continue to be monitored and evaluated by management during the 2020 financial year.

In March 2020 General Electric Company completed the sale of its Life Sciences BioPharma business to Danaher Corporation. This follows the announcement made on 25 February 2019 of its intentions to sell the business pending regulatory approval. As part of this sale, the company disposed of its Intellectual Property which was included in the balance sheet at nil value. The revenue and costs associated with the Intellectual Property have been classified as discontinued from the date the sale was announced in February 2019.

On 8 April 2020 the company paid an interim dividend of £511,555,000 to Whatman Ltd its immediate parent undertaking, from the proceeds of the Intellectual Property sale.

Directors' liabilities

One or more of the directors have benefited from qualifying third party indemnity provisions in place during the financial year and subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provisions remain in force as at the date of approving the directors' report.

Whatman International Limited

Directors' Report

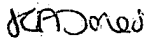
Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditor

The auditor, KPMG LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 23 September 2020 and signed on its behalf by:



K A Jones
Director

Whatman International Limited

Statement of Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so (as explained in note 2, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis).

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the Members of Whatman International Limited

Opinion

We have audited the financial statements of Whatman International Limited ("the company") for the year ended 31 December 2019, which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Emphasis of matter- non going concern basis of preparation

We draw attention to the disclosure made in note 2 to the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reasons set out in that note. Our opinion is not modified in respect of this matter.

Strategic Report and Directors' Report

The directors are responsible for the Strategic Report and the Directors' Report. Our opinion of the financial statements does not cover those reports and we do not express an opinion thereon.

Our responsibility is to read the Strategic report and Directors' Report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Strategic report and Directors' Report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Independent Auditor's Report to the Members of Whatman International Limited

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

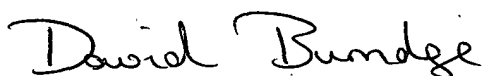
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Independent Auditor's Report to the Members of Whatman International Limited

The purpose of our audit work and to whom we owe our responsibilities

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.



.....
David Burridge (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

58 Clarendon Road
Watford
WD171DE

Date: 29 September 2020

Whatman International Limited

Profit and Loss Account and Other Comprehensive Income for the Year Ended 31 December 2019

		Continuing operations 2019 £ 000	Discontinued operations 2019 £ 000	Total £ 000	Continuing operations 2018 £ 000	Discontinued operations 2018 £ 000	Total £ 000
Turnover	Note 4	-	21,100	21,100	-	31,930	31,930
Administrative expenses		(3,176)	(2,063)	(5,239)	(2,912)	-	(2,912)
Other operating income	5	968	23,223	24,191	-	11	11
Operating (loss)/profit		(2,208)	42,260	40,052	(2,912)	31,941	29,029
Interest receivable and similar income	7	723	-	723	3,938	-	3,938
Interest payable and similar charges	8	(55)	-	(55)	-	-	-
(Loss)/Profit before tax		(1,540)	42,260	40,720	1,026	31,941	32,967
Tax on profit on ordinary activities	12	(11)	-	(11)	-	-	-
(Loss)/Profit for the year		(1,551)	42,260	40,709	1,026	31,941	32,967

The notes on pages 12 to 24 form an integral part of these financial statements.
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Whatman International Limited

Registration number: 00106789

Balance Sheet as at 31 December 2019

	Note	2019 £ 000	2018 £ 000
Fixed assets			
Investments	13	155	155
Current assets			
Debtors: amounts falling due within one year	14	85,913	305,845
Creditors: Amounts falling due within one year	15	<u>(6,501)</u>	<u>(2,142)</u>
Net current assets		<u>79,412</u>	<u>303,703</u>
Net assets		<u>79,567</u>	<u>303,858</u>
Capital and reserves			
Called up share capital	16	6,842	62,297
Profit and loss account		<u>72,725</u>	<u>241,561</u>
Shareholders' funds		<u>79,567</u>	<u>303,858</u>

Approved by the Board on 23 September 2020 and signed on its behalf by:



K A Jones
Director

Whatman International Limited

Statement of Changes in Equity for the Year Ended 31 December 2019

	Called up share capital £ 000	Profit and loss account £ 000	Total equity £ 000
At 1 January 2019	62,297	241,561	303,858
Comprehensive income for the year			
Profit for the year	-	40,709	40,709
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	40,709	40,709
Share capital cancelled during the year/distributable reserves created on cancellation of share capital	(55,455)	55,455	-
Dividends paid	-	(265,000)	(265,000)
At 31 December 2019	<u>6,842</u>	<u>72,725</u>	<u>79,567</u>

	Called up share capital £ 000	Profit and loss account £ 000	Total equity £ 000
At 1 January 2018	62,297	208,594	270,891
Comprehensive income for the year			
Profit for the year	-	32,967	32,967
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	32,967	32,967
At 31 December 2018	<u>62,297</u>	<u>241,561</u>	<u>303,858</u>

The notes on pages 12 to 24 form an integral part of these financial statements.

Whatman International Limited

Notes to the Financial Statements

1 General information

The company is a private company limited by share capital, registered in England, incorporated and domiciled in the the United Kingdom.

The address of its registered office is:
Pollards Wood, Nightingales Lane
Chalfont St. Giles
Buckinghamshire
HP8 4SP

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

The financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101') and the Companies Act 2006. The amendments to FRS 101 (2018/19 cycle) issued in July 2019 have been applied.

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The preparation of financial statements in compliance with FRS 101 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).

Going concern

In previous years, the financial statements have been prepared on a going concern basis. However, during the year the directors took the decision to cease trading. Accordingly, the directors have not prepared the financial statements on a going concern basis. As a result of this change of basis all assets and liabilities have been reviewed and stated at their net realisable value. This did not result in any changes to the amounts recognised.

Exemption from preparing group accounts

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 401 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

Whatman International Limited

Notes to the Financial Statements

2 Accounting policies (continued)

The results of the company are included in the consolidated financial statements of General Electric Company which are available from 5 Necco Street, Boston, Massachusetts, 02210, USA or at www.ge.com.

Basis of measurement

The financial statements have been prepared on the historical cost basis.

Changes in accounting policy

In the current year the company has adopted IFRIC 23: Uncertainty over Income Tax Treatments. The effect of the adoption is considered not to be material.

Summary of disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Discontinued operations

A discontinued operations is a component of the company's business that represents a separate major line of business or geographical area of operations that has been disposed of. The company disposed of its Intellectual Property which it receives royalty income from in 2020, after the initial announcement to dispose of the Life Sciences Biopharma business in February 2019. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative profit and loss account is restated as if the operation has been discontinued from the start of the comparative period.

Turnover

The company earns revenue from royalty income. The company owns rights in relation to a product for which it receives royalty income.

Whatman International Limited

Notes to the Financial Statements

2 Accounting policies (continued)

Foreign currency transactions and balances

The accounts are presented in sterling which is the company's functional and presentational currency.

Transactions in foreign currencies are recorded using a monthly average operating exchange rate. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate ruling at the balance sheet date. The gains or losses arising are included in the Profit and Loss Account.

Tax

Tax is recognised in profit or loss, except that a change attributable to an item of income or 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 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, and any adjustments to tax payable in respect of previous years. Full provision is made for deferred tax liabilities arising from all temporary differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as probable that there will be suitable taxable profits from which the future reversal of the underlying temporary differences can be deducted. Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the temporary differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

Investments

Investment in group undertakings are shown at cost less provision for impairment.

At each balance sheet date the company reviews the carrying amounts of its investments to determine whether there is any indication that those investments have suffered an impairment loss. If such indication exists, the recoverable amount of the investment is estimated based on its fair value less costs of disposal and value in use. Where the recoverable amount of the investment is less than the carrying value an impairment loss is recognised in profit and loss account in the period.

Whatman International Limited

Notes to the Financial Statements

2 Accounting policies (continued).

Financial instruments

Initial recognition

The company recognises financial assets and financial liabilities in the balance sheet when, and only when, the company becomes party to the contractual provisions of the financial instrument.

A financial asset (unless it is a trade debtor without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade debtor without a significant financing component is initially measured at the transaction price.

Financial liabilities are initially recognised at fair value, representing the proceeds received net of premiums, discounts and transaction costs that are directly attributable to the financial liability.

Classification and subsequent measurement

Subsequent to initial measurement, financial assets and financial liabilities are measured at either amortised cost or fair value.

Financial instruments are classified at inception into one of the following categories, which then determine the subsequent measurement methodology:

Financial assets are classified into one of the following three categories:

- financial assets at amortised cost;
- financial assets at fair value through other comprehensive income (FVTOCI); or
- financial assets at fair value through the profit or loss (FVTPL).

Financial liabilities are classified into one of the following two categories:

- financial liabilities at amortised cost; or
- financial liabilities at fair value through the profit or loss (FVTPL).

The classification and the basis for measurement are subject to the company's business model for managing financial assets and liabilities and the contractual cash flow characteristics of the financial assets. Accordingly, all financial assets and liabilities are subsequently measured at amortised cost.

Whatman International Limited

Notes to the Financial Statements

2 Accounting policies (continued)

Financial instruments (continued)

Impairment of financial assets

The company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVTOCI and contract assets (as defined in IFRS 15).

The company measures loss allowances at an amount equal to lifetime ECL, except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition which are measured as 12-month ECL.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

The maximum period considered when estimating ECLs is the maximum contractual period over which the company is exposed to credit risk.

3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires the directors to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the balance sheet date and the reported amounts of income and expenses during the year. Although these estimates are based on the directors' best knowledge of the amounts, actual results ultimately may differ from those estimates. The areas involving a higher degree of judgement and complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below:

Whatman International Limited

Notes to the Financial Statements

3 Critical accounting judgements and key sources of estimation uncertainty (continued)

Impairment of investments

The principal activity of the company is to act as a holding company for underlying subsidiaries. As a result the main risk facing the company is the underlying trade of the investments not supporting the carrying value.

Investments are subject to impairment when there are indicators, such as, the net assets of the underlying company being less than the carrying value of the investments, adverse trade conditions in the underlying investments, cessation of trade in the underlying investments, significant losses in the year in the underlying investments and impairment of fixed assets in the underlying investments in the year.

Where the carrying value exceeds the estimated recoverable amount (being the greater of fair value less costs of disposal and value-in-use), an impairment loss is recognised by writing down the investments to its recoverable amount. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. The estimates of future cash flows exclude cash inflows or outflows attributable to financing activities and income tax. Impairment losses arising in respect of investments are not reversed once recognised.

Whatman International Limited

Notes to the Financial Statements

4 Turnover

A geographical analysis of turnover is as follows:

	2019 £ 000	2018 £ 000
United Kingdom	<u>21,100</u>	<u>31,930</u>

5 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2019 £ 000	2018 £ 000
Intra-group service charges receivable	967	-
Royalties receivable	11	11
Sale of intangible property rights	<u>23,213</u>	<u>-</u>
	<u>24,191</u>	<u>11</u>

6 Operating profit

Operating profit is stated after charging/(crediting):

	2019 £ 000	2018 £ 000
Intra-group service charges	2,564	3,228
Difference on foreign exchange	<u>18</u>	<u>(648)</u>

7 Interest receivable and similar income

	2019 £ 000	2018 £ 000
Interest receivable from group companies	<u>723</u>	<u>3,938</u>

8 Interest payable and similar expenses

	2019 £ 000	2018 £ 000
Interest payable to group undertakings	<u>55</u>	<u>-</u>

Whatman International Limited

Notes to the Financial Statements

9 Staff costs

The company had no employees during the year.(2018: nil).

10 Directors' remuneration

No directors received any remuneration in respect of services to the company during the current or preceding financial year.

All of the directors are/were also directors of a group undertaking and do not specifically receive any remuneration in respect of the company. The appropriate proportion of their services on behalf of the company is considered to be not material.

11 Auditor's remuneration

	2019 £ 000	2018 £ 000
Audit of the financial statements:	<u>17</u>	<u>-</u>

In 2018 a total of £16,000 was paid to the auditor for their services made to Whatman International Limited, but was borne by a fellow group undertaking.

12 Taxation

Tax charged/(credited) in the profit and loss account.

	2019 £ 000	2018 £ 000
Current taxation		
UK corporation tax	-	-
UK corporation tax adjustment to prior years	<u>11</u>	<u>-</u>
Deferred taxation		
Adjustment in respect of prior year	-	(1,506)
Movement on deferred tax not provided	<u>-</u>	<u>1,506</u>
Total deferred taxation	<u>-</u>	<u>-</u>
Tax expense in the profit and loss account	<u>11</u>	<u>-</u>

Whatman International Limited

Notes to the Financial Statements

12 Taxation (continued)

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (2018: lower than the standard rate of corporation tax in the UK) of 19% (2018: 19%).

The differences are reconciled below:

	2019 £ 000	2018 £ 000
Profit before tax	40,720	32,967
Corporation tax at standard rate	7,737	6,264
Adjustment to tax charge in respect of prior year/periods	11	(1,506)
Expenses not deductible for tax purposes	-	89
Movement on deferred tax not provided	-	1,506
Non taxable income	(4,411)	-
Group relief for £nil consideration	(3,326)	(6,353)
Total tax charge	11	-

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. Subsequent to the balance sheet date it was announced that the rate of 19% would continue to apply with effect from 1 April 2020. This change was substantively enacted on 17 March 2020. This will increase the current tax charge accordingly.

Deferred tax assets and liabilities on all timing differences have been calculated at 17% as at 31 December 2019. The impact of this on the financial statements is not considered material.

The U.K. Tax authorities issued assessments to disallow interest deductions claimed by other group companies for years from 2004 to 2015. The proposed disallowance does not affect interest deductions claimed by Whatman International Limited but, if sustained, could impact losses surrendered against the taxable income of Whatman International Limited in prior years. We comply with all applicable tax laws and judicial doctrines of the United Kingdom. We are contesting the disallowance and believe the full benefit of the deductions will be sustained on their technical merits, but the outcome of pending litigation cannot be fully known until resolution of the matter. Given the uncertainty of how much may be ultimately disallowed and availability of other U.K. group tax attributes, Whatman International Limited is unable to quantify the amount, if any, of the tax impact of this item.

There are no other factors that may significantly affect future tax charges.

Whatman International Limited

Notes to the Financial Statements

12 Taxation (continued)

Deferred tax

There are £1,683,061 of deductible temporary differences (2018: £1,505,897) for which no deferred tax asset is recognised in the balance sheet.

13 Fixed assets investments

	Investments in subsidiary companies £ 000
Cost	
At 1 January 2019	13,037
At 31 December 2019	13,037
Impairment	
At 1 January 2019	12,882
At 31 December 2019	12,882
Net book value	
At 31 December 2019	155
At 31 December 2018	155

The directors of the company have undertaken a review of the company's investment in group undertaking as at 31 December 2019. There are no indications of impairment and the carrying values of the investment is correct.

Details of the subsidiary undertaking as at 31 December 2019 are as follows:

Name of subsidiary	Registered office	Class of shares held	Proportion of ownership interest
Whatman Asia Pacific Private Limited	1 Maritime Square #13-01, HarbourFront Centre, Singapore	Ordinary	100%

Whatman International Limited

Notes to the Financial Statements

14 Debtors

	2019 £ 000	2018 £ 000
Amounts owed by group undertakings	85,866	305,724
Prepayments	42	53
Other debtors	5	57
Corporation tax asset	-	11
	<u>85,913</u>	<u>305,845</u>

Amounts owed by group undertakings include short term deposits of £65,266,407 (2018: £38,777,000) which are held for the purpose of meeting short term cash commitments.

15 Creditors: Amounts falling due within one year

	2019 £ 000	2018 £ 000
Trade creditors	47	-
Amounts owed to group undertakings	6,448	2,136
Other taxation and social security	6	6
	<u>6,501</u>	<u>2,142</u>

Whatman International Limited

Notes to the Financial Statements

16 Share capital

Allotted, called up and fully paid shares

	No. 000	2019 £ 000	No. 000	2018 £ 000
Ordinary shares of £1 each	680	680	680	680
Preference shares of £0.10 (2018 : £1) each	61,617	6,162	61,617	61,617
	<u>62,297</u>	<u>6,842</u>	<u>62,297</u>	<u>62,297</u>

On 5 February 2019, the company reduced the nominal value of its preference shares of £1 to preference shares of £0.10 each. As a result the company reduced its share capital from £62,296,941 (comprising 680,000 ordinary shares of £1 each and 61,616,941 preference shares of £1 each) to 6,841,694 (comprising 680,000 ordinary shares of £1 each and 61,616,941 preference shares of £0.10 each) creating distributable reserves of £55,455,247.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

The preference shares carry no dividend rights and are not redeemable. In the event of a winding up, the holders of the preference shares will be entitled to receive in full the amounts paid for such shares in priority to holders of ordinary shares and will be entitled to participate in profits or surplus assets equally with the holders of ordinary shares. Holders of the preference shares are entitled to vote at general meetings.

17 Dividends

	2019 £ 000	2018 £ 000
Dividend paid of £390 (2018: £nil) per ordinary share	<u>265,000</u>	<u>-</u>

Whatman International Limited

Notes to the Financial Statements

18 Ultimate parent undertaking and controlling party

The company's immediate parent is Whatman Limited, a company registered at Pollards Wood, Nightingales Lane, Chalfont St. Giles, Buckinghamshire, HP8 4SP.

The smallest and largest group in which the results of the company are consolidated is that headed by its ultimate parent undertaking, General Electric Company, a company with principal executive offices at 5 Necco Street, Boston, Massachusetts, 02210, USA. The consolidated financial statements of this company are available to the public and may be obtained from the address of the principal executive offices or at www.ge.com.

19 Post balance sheet events

The COVID-19 pandemic has significantly impacted global economies, resulting in workforce and travel restrictions, supply chain and production disruptions and reduced demand and spending across many sectors. During the latter part of the first quarter of 2020, these factors began having an adverse impact on our operations. While the effects of these events cannot be estimated at our report release date, we anticipate that market uncertainties will continue in the foreseeable future depending on the severity and duration of the pandemic. Such effects and the required mitigating actions will continue to be monitored and evaluated by management during the 2020 financial year.

In March 2020 General Electric Company completed the sale of its Life Sciences BioPharma business to Danaher Corporation. This follows the announcement made on 25 February 2019 of its intentions to sell the business pending regulatory approval. As part of this sale, the company disposed of its Intellectual Property which was included in the balance sheet at nil value. The revenue and costs associated with the Intellectual Property have been classified as discontinued from the date the sale was announced in February 2019.

On 8 April 2020 the company paid an interim dividend of £511,555,000 to Whatman Ltd its immediate parent undertaking, from the proceeds of the Intellectual Property sale.