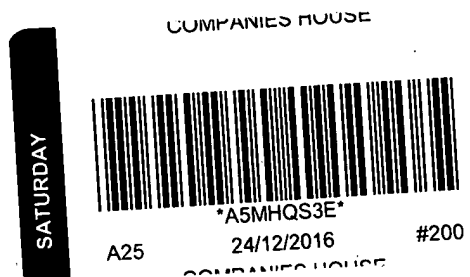


Registration number: 01029281

Hach Lange Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2015



Hach Lange Limited

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Hach Lange Limited

Company Information

Directors Mr Keith Graham Ward
 Mr Darin Stell
 Mr Andy Helmers

Registered office 19 Jessops Riverside
 800 Brightside Lane
 Sheffield
 South Yorkshire
 S9 2RX

Auditors Ernst & Young LLP
 400 Capability Green
 Luton
 LU1 3LU

Hach Lange Limited

Strategic Report for the Year Ended 31 December 2015

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

Fair review of the business

The principal activity of the company is the distribution of water monitoring equipment. The company expects to continue current activities.

The loss on ordinary activities after taxation for the year was £1,024,000 (2014 - Profit of £622,000).

The company has booked an impairment to Goodwill of £1,696,000 in the year ended 31 December 2015. This has contributed to the company showing a loss on ordinary activities after taxation. The background to the impairment is set out below.

During the year turnover of £22.2 million was generated. This represents an increase of £631,000 over the previous year which is largely attributed to the introduction of new, improved products, plus organic growth in other existing products and reagents. The company expects continued success in the future through organic growth.

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

	2015	2014	Change
	£000	£000	%
Turnover	22,204	21,573	+2.9%
Operating (loss)/profit	(1,049)	610	-271.97%
Total assets	10,949	11,774	-7.01%

Business Combination

On 24 November 2015 Hach Lange Limited acquired the assets and liabilities of ELE International, a division of Danaher UK Industries Limited. The purchase price was £2,985,690 and the net assets as at the date of acquisition totalled £1,289,388 thereby creating a Goodwill asset of £1,696,302. This transaction was booked under the acquisition method. ELE International was acquired by Hach UK Limited in order to benefit from the synergies expected from this business combination. In the period from acquisition to 31 December 2015, the ELE International division contributed a gross margin of £242,485 and an operating profit of £12,612. However, as the ELE International division generated an operating loss for the full year 2015 and is expected to generate an operating loss in 2016, the directors have made an assessment of the carrying value of goodwill as at 31 December 2015 and have booked an impairment of £1,696,302 thereby reducing the goodwill amount to nil.

Hach Lange Limited

Strategic Report for the Year Ended 31 December 2015 (continued)

Principal risks and uncertainties

The principal risks and uncertainties are grouped as competitive and financial.

Competitive risks:

The company has identified the following competitive risks;

The intensity of the competition in the global markets and also the cheaper/ low-maintenance/ non test tube measurement principles could lead to increased pricing pressure for the process metrology and also increasingly in the laboratory area. In addition to cost adaptations we will take counter measures, with further technical innovations and Service & Software innovations.

The Public utilities could limit their tight monetary policy on account of the lower budgets and reduced economic expectations. This could influence sales in the waste water market.

The business in the industrial customer sector is also at risk from the impact of the general economic climate.

Financial risks:

Purchases are made in foreign currency (mostly Euro) and subject to exchange rate variations.

Credit is given to customers on the basis of Dunn and Bradstreet credit reports, and debtors are continually reviewed and chased for payments.

Business activity is subject to US parent companies risk mitigation procedures. These include satisfying Danaher's corporate governance principals and Sarbanes Oxley audit controls.

Approved by the Board on 20 December 2016 and signed on its behalf by:



.....
Mr Keith Graham Ward
Director

Hach Lange Limited

Directors Report for the Year Ended 31 December 2015

The directors present their report and the financial statements for the year ended 31 December 2015.

Directors of the company

The directors who held office during the year were as follows:

Mr Keith Graham Ward

Mr Darin Stell

Mr Andy Helmers (appointed 23 June 2015)

Mr Gert Schaumburg (Resigned 2 July 2015)

Principal activity

The principal activity of the company is that of the distribution of water monitoring equipment.

The company expects to continue current activities.

Dividends

No dividends will be distributed for the year ended 31 December 2015. (2014 Nil).

Going concern

The company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives and its exposure to competitive and financial risks are described in the Business Review and Principal Risks and Uncertainties on pages 2 and 3.

The company is part of one of the three multi currency Danaher UK group cash pool arrangements. Within these cash pools, each company has entered into unlimited cross guarantees in respect of bank borrowings with fellow participating companies. Each company is also subject to an indemnity offered by Danaher Corporation for all participating companies (for the period during which they remain wholly owned subsidiaries of Danaher Corporation), such that any liability falling on the company as a result of the borrowings from the bank of any other party to the cash pool arrangement will be borne by Danaher Corporation in the event of default.

The company is trading profitably with positive cash flow and strong balance sheet. The group cash pool arrangement in the UK is also available if the company requires immediate access to cash funds to meet its liabilities as they fall due.

The cash position of the UK group as a whole is strong and therefore the company should have access to sufficient operating funds when necessary.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

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

Third party indemnities

Danaher Corporation has provided to all directors limited indemnities in respect of the cost of defending claims against them and third party liabilities. These are all third party indemnity provisions for the purpose of the Companies Act 2006 and are all currently in force.

Disclosure of information to the auditors

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.

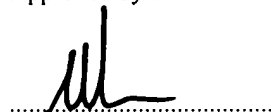
Hach Lange Limited

Directors Report for the Year Ended 31 December 2015 (continued)

Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Ernst & Young LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 20 December 2016 and signed on its behalf by:



Mr Keith Graham Ward
Director

Hach Lange Limited

Statement of Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' (FRS 101). 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements; 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 responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Hach Lange Limited

Independent Auditor's Report

We have audited the financial statements of Hach Lange Limited for the year ended 31 December 2015, which comprise the Profit and Loss account, the Statement of Comprehensive Income, the Balance Sheet, the statement of Changes in Equity and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

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

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 101 'Reduced Disclosure Framework'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Hach Lange Limited

Independent Auditor's Report (continued)

Matters on which we are required to report by exception

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

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

Ernst & Young LLP

John Dervley (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor

400 Capability Green
Luton
LU1 3LU

22 December 2016

Hach Lange Limited

Profit and Loss Account for the Year Ended 31 December 2015

	Note	2015 £	2014 £
Turnover	3	22,204,000	21,573,000
Cost of sales		<u>(17,138,000)</u>	<u>(16,479,000)</u>
Gross profit		5,066,000	5,094,000
Administrative expenses		(5,166,000)	(5,548,000)
Write off of intangible asset	9	(1,696,000)	-
Other operating income		<u>747,000</u>	<u>1,064,000</u>
Operating (loss)/profit	4	<u>(1,049,000)</u>	<u>610,000</u>
Other interest receivable and similar income	5	<u>29,000</u>	<u>13,000</u>
		<u>29,000</u>	<u>13,000</u>
(Loss)/profit before tax		(1,020,000)	623,000
Tax on (loss)/profit on ordinary activities	8	<u>(4,000)</u>	<u>(1,000)</u>
(Loss)/profit for the year		<u><u>(1,024,000)</u></u>	<u><u>622,000</u></u>

The above results were derived from continuing operations.

There were no recognised gains and losses other than the loss of £1,024,000 (2014 profit of £622,000) attributable to the shareholders for the year ended 31 December 2015 and the reserve credit for share-based payment programs of £334,334 (2014 - £525,203)

Hach Lange Limited

Statement of Comprehensive Income for the Year Ended 31 December 2015

	Note	2015 £	2014 £
(Loss)/profit for the year		(1,024,000)	622,000
Other comprehensive income			
Items that cannot be reclassified to profit or loss		<u>(17,000)</u>	<u>(25,000)</u>
Total comprehensive (loss)/ income for the year		<u><u>(1,041,000)</u></u>	<u><u>597,000</u></u>

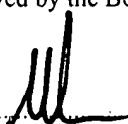
The notes on pages 13 to 30 form an integral part of these financial statements.

Hach Lange Limited

(Registration number: 01029281)
Balance Sheet as at 31 December 2015

	Note	2015 £	2014 £
Fixed assets			
Intangible assets	9	129,000	129,000
Property, plant and equipment	10	<u>601,000</u>	<u>30,000</u>
		<u>730,000</u>	<u>159,000</u>
Current assets			
Stocks	11	706,000	34,000
Debtors	12	6,744,000	5,335,000
Cash at bank and in hand		1,896,000	5,352,000
Deferred tax asset		<u>873,000</u>	<u>894,000</u>
		10,219,000	11,615,000
Creditors: Amounts falling due within one year			
Trade and other payables	13	<u>(6,955,000)</u>	<u>(7,073,000)</u>
Net current assets		<u>3,264,000</u>	<u>4,542,000</u>
Net assets		<u>3,994,000</u>	<u>4,701,000</u>
Capital and reserves			
Called up share capital	15	10,000	10,000
Profit and loss account		<u>3,984,000</u>	<u>4,691,000</u>
Shareholders' funds		<u>3,994,000</u>	<u>4,701,000</u>

Approved by the Board on 20 December 2016 and signed on its behalf by:



Mr Keith Graham Ward
Director

The notes on pages 13 to 30 form an integral part of these financial statements.

Hach Lange Limited

Statement of Changes in Equity for the Year Ended 31 December 2015

	Share capital £	Retained earnings £	Total £
At 1 January 2014	10,000	3,569,000	3,579,000
Profit for the year	-	622,000	622,000
Other comprehensive income	-	(25,000)	(25,000)
Total comprehensive income	-	597,000	597,000
Share based payment transactions	-	525,000	525,000
At 31 December 2014	10,000	4,691,000	4,701,000
	Share capital £	Retained earnings £	Total £
At 1 January 2015	10,000	4,691,000	4,701,000
Loss for the year	-	(1,024,000)	(1,024,000)
Other comprehensive income	-	(17,000)	(17,000)
Total comprehensive income	-	(1,041,000)	(1,041,000)
Share based payment transactions	-	334,000	334,000
At 31 December 2015	10,000	3,984,000	3,994,000

The notes on pages 13 to 30 form an integral part of these financial statements.

Hach Lange Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

1 General information

The address of its registered office is:

19 Jessops Riverside
800 Brightside Lane
Sheffield
South Yorkshire
S9 2RX

These financial statements were authorised for issue by the Board on 20 December 2016.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards. The company has used a true and fair view override in respect of the non amortisation of goodwill.

The Company's financial statements are presented in Sterling, which is also the functional currency.

The results of Hach Lange Limited are included in the Consolidated Financial Statements of Danaher Corporation which are available from 2200 Pennsylvania Avenue, Suite 800, West Washington, DC 20037, USA.

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

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework.

Hach Lange Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

2 Accounting policies (continued)

Summary of disclosure exemptions

the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
the requirements of IFRS 7 Financial Instruments: Disclosures;
the requirements of paragraphs 91 to 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;
- paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- paragraph 118(e) of IAS 38 Intangible Assets;
the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
the requirements of paragraphs 134 to 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 paragraphs 17 and 18A 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;
the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets.

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 1 January 2015 have had a material effect on the financial statements.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Revenue is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company activities.

Other Operating Income

Other operating income mainly comprises intercompany recharges.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Hach Lange Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

2 Accounting policies (continued)

Tax

The tax expense for the period comprises deferred 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 is also recognised directly in other comprehensive income.

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

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Property, plant and equipment

Property, plant and equipment is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Improvements to property	5 to 25 years
Other equipment	3 to 5 years (12 months if hired)

The carrying value of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable and are written down immediately to their recoverable amounts. Useful lives and residual values are reviewed annually and, where adjustments are required, these are made prospectively.

Hach Lange Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

2 Accounting policies (continued)

Intangible assets

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised. It is reviewed for impairment at the end of the first full financial year following acquisition and in the periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

The UK Companies Act requires goodwill to be reduced by provisions for depreciation on a systematic basis over a period chosen by its directors, its useful economic life. However, under IFRS 3 Business Combinations goodwill is not amortised. Consequently, the company does not amortise goodwill, but reviews it for impairment on an annual basis or whenever there are indicators of impairment. The company is therefore not invoking a 'true and fair view override' to overcome the prohibition on the non-amortisation of goodwill in the Companies Act. The company is not able to reliably estimate the impact on the financial statements of the true and fair override on the basis that the useful life of goodwill cannot be predicted with a satisfactory level of reliability, nor can the pattern in which goodwill diminishes be known.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade payables

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 (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Hach Lange Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

2 Accounting policies (continued)

Leases

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

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a separate entity and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans contributions are paid publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as an asset.

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised on the financial statements.

Taxation

Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effects of future tax planning strategies.

The following estimates are dependent upon the assumptions which could change in the next financial year and have a material effect on the carrying amounts of assets and liabilities recognised at the balance sheet date.

Provisions

Management assesses the carrying value of debtor balances based on current trading patterns and anticipated future events.

Impairment of Goodwill

Where there are indicators of impairment, management performs impairment tests based on fair value less cost to sell or value in use, which include estimate of future profitability, discount rate and market prices.

Hach Lange Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

3 Turnover

An analysis of turnover by geographical segment is given below:

	2015 £000	2014 £000
Europe	21,665	21,568
Rest of world	539	5
	<u>22,204</u>	<u>21,573</u>

No revenue was derived from the exchange of goods or services (2014 - £Nil).

Hach Lange Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

4 Operating profit

Arrived at after charging/(crediting)

	2015 £	2014 £
Cost of inventories recognised as expense	17,138,000	16,479,000
Depreciation expense	26,000	21,000
Write off of Intangible asset	1,696,000	-
Auditors' remuneration	14,000	13,000
Foreign currency exchange differences	(383,000)	(35,000)
Leasing office equipment	5,000	6,000
Car leasing	231,000	233,000
Rent	<u>115,000</u>	<u>114,000</u>

5 Other interest receivable and similar income

	2015 £	2014 £
Interest income on bank deposits	<u>29,000</u>	<u>13,000</u>

6 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2015 £	2014 £
Wages and salaries	3,135,000	2,995,000
Social security costs	408,000	625,000
Pension costs, defined contribution scheme	<u>211,000</u>	<u>186,000</u>
	<u>3,754,000</u>	<u>3,806,000</u>

The average number of persons employed by the company (including directors) during the year was as follows:

	2015 No.	2014 No.
Total	<u>63</u>	<u>63</u>

Hach Lange Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2015 £	2014 £
Remuneration	45,000	36,000
Contributions paid to money purchase schemes	9,000	8,000
	<u>54,000</u>	<u>44,000</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2015 No.	2014 No.
Exercised share options	<u>1</u>	<u>1</u>

The services of K G Ward to this company are of a non-executive nature and his emoluments are deemed to be wholly attributable to his qualifying services to Danaher UK Industries Limited (UK).

The services of A Helmers to this company are of a non-executive nature and his emoluments are deemed to be wholly attributable to his qualifying services to Hach Lange GmbH (DE).

Accordingly these financial statements include no emoluments in respect of these directors (2014 - £Nil).

8 Income tax

The tax Charge/(Credit) comprises:

	2015 £,000's	2,014 £,000's
Current tax - UK	-	-
Corporation tax at the standard rate	-	-
Adjustment in respect of prior periods	-	-
Withholding tax	-	-
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Charge/(Credit) for current year	8	(14)
Adjustment in respect of prior periods	(4)	15
Deferred tax Charge/(Credit)	<u>4</u>	<u>1</u>
Taxation Charge for the year	<u>4</u>	<u>1</u>

Hach Lange Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

8 Income tax (continued)

The differences between the total current tax shown above and the amount calculated by applying the rate of UK corporation tax to the profit before tax are as follows:

	2015 £,000's	2014 £,000's
(Loss)/Profit before tax	(1,020)	623
Corporation tax at standard rate	(207)	133
Difference in tax rates	47	1
(Income not taxable)/Expenses not deductible for tax purposes	161	(200)
Group relief surrendered for nil consideration	7	52
Prior year adjustment to deferred tax	(4)	15
Total tax charge for the year	<u>4</u>	<u>1</u>

Deferred tax

	2015 £,000's	2014 £,000's
Deferred tax (asset)/liability as at 1 January	(894)	(920)
Charge/(Credit) to the Income Statement	8	(14)
Adjustment in respect of prior years	(4)	15
Debit/(Credit) to the SORIE	17	25
Deferred tax (asset)/liability as at 31 December	<u>(874)</u>	<u>(894)</u>

The amounts provided for deferred taxation are set out below:

	Recognised		Unrecognised	
	2015 £,000	2014 £,000	2015 £,000	2014 £,000
Fixed assets	(66)	(60)	0	0
Trade losses	0	0	0	0
Short term timing differences	(807)	(834)	0	0
Deferred tax (asset)/liability as at 31 December	<u>(874)</u>	<u>(894)</u>	<u>-</u>	<u>-</u>

Hach Lange Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

8 Income tax (continued)

Notes regarding change in tax rates

The tax rates to be used are those which have been enacted or substantively enacted by the balance sheet date. For UK tax rates, 'substantively enacted' means that the Act or other measure legislating that rate has passed through all stages of reading by the House of Commons (i.e. the act has had its third reading). Finance No 2. Bill 2015 became substantively enacted on 26 October 2015, and as such the tax rate was reduced from 20% to 19% effective 1 April 2017 and to 18% effective 1 April 2020. It was announced in the 2016 Budget that the tax rate will further reduce to 17% from 1 April 2020; when this is enacted it is not expected to have a material impact on the accounts.

Under FRS 101, deferred tax should be measured using the tax rates that are expected to apply to the reversal of the timing differences. As such, deferred tax has been calculated at 19%.

9 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 January 2015	2,595,000	2,595,000
Additions	<u>1,696,000</u>	<u>1,696,000</u>
At 31 December 2015	<u>4,291,000</u>	<u>4,291,000</u>
Amortisation		
At 1 January 2015	2,466,000	2,466,000
Write off of goodwill	<u>1,696,000</u>	<u>1,696,000</u>
At 31 December 2015	<u>4,162,000</u>	<u>4,162,000</u>
Carrying amount		
At 31 December 2015	<u>129,000</u>	<u>129,000</u>
At 31 December 2014	<u>129,000</u>	<u>129,000</u>

Hach Lange Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

10 Property, plant and equipment

	Furniture, fittings and equipment £	Other property, plant and equipment £	Total £
Cost or valuation			
At 1 January 2015	808,000	130,000	938,000
Additions	<u>182,000</u>	<u>415,000</u>	<u>597,000</u>
At 31 December 2015	<u>990,000</u>	<u>545,000</u>	<u>1,535,000</u>
Depreciation			
At 1 January 2015	778,000	130,000	908,000
Charge for the year	<u>14,000</u>	<u>12,000</u>	<u>26,000</u>
At 31 December 2015	<u>792,000</u>	<u>142,000</u>	<u>934,000</u>
Carrying amount			
At 31 December 2015	<u>198,000</u>	<u>403,000</u>	<u>601,000</u>
At 31 December 2014	<u>30,000</u>	<u>-</u>	<u>30,000</u>

11 Stocks

	2015 £	2014 £
Finished goods and goods for resale	<u>706,000</u>	<u>34,000</u>

12 Debtors

	2015 £	2014 £
Trade debtors	5,576,000	4,247,000
Amounts owed by group undertakings	984,000	935,000
Prepayments	164,000	125,000
Other receivables	<u>20,000</u>	<u>28,000</u>
Total current trade and other receivables	<u>6,744,000</u>	<u>5,335,000</u>

Hach Lange Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

13 Trade and other payables

	2015	2014
	£	£
Trade payables	1,793,000	162,000
Amounts owed to group undertakings	2,862,000	5,295,000
Social security and other tax	372,000	98,000
VAT	707,000	751,000
Other creditors	25,000	55,000
Accruals and deferred income	173,000	41,000
Accrued expenses	1,023,000	671,000
	<u>6,955,000</u>	<u>7,073,000</u>

14 Guarantees and obligations under leases

An unlimited multi-lateral guarantee exists between all members of the cash pool in which the company participates and HSBC Plc. No liability is expected to arise due to the financial support provided by the parent company and due to the cash pool being maintained in credit.

Other guarantees which are not financial guarantees are as follows:-

- A guarantee limited to £150,000 exists between the company and HMRC in respect of import VAT and customs deferment.
- A guarantee limited to £70,839 exists between the company and the Environment agency.
- The company has issued an Advance Payment bond of £13,436 to the Government of Malta.

15 Share capital

Allotted, called up and fully paid shares

	2015		2014	
	No.	£	No.	£
Ordinary of £1 each	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

Hach Lange Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

16 Obligations under leases and hire purchase contracts

Operating leases

The Company leases premises, motor vehicles and office equipment. Future minimum rentals payable under non-cancellable operating leases are as follows:

	Land and buildings 2015 £	Other 2015 £	Land and buildings 2014 £	Other 2014 £
Not later than one year	214,000	169,000	100,000	203,000
After one year but not more than five years	1,073,000	220,000	-	187,000
After five years	<u>2,036,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total lease commitments	<u>3,323,000</u>	<u>389,000</u>	<u>100,000</u>	<u>390,000</u>

17 Pension and other schemes

A Company Personal Pension Scheme (The Buhler Montec Group Personal Pension Plan) was set up in the year 2000 with Norwich Union (formerly known as CGU Life). The Scheme commenced with effect from 1st May 2000 for members previously in the Servomex Scheme and 1 June 2000 for new entrants. The Scheme operates on a money purchase basis.

The pension cost for the period was £211,347 (2014 - £185,468). At the balance sheet date an amount of £17,823 remained to be paid over (2014 - nil).

Hach Lange Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

18 Share-based payments

Scheme description

Stock options and restricted stock units (RSU's) have been issued to officers and other employees under the Group's 1998 Stock Option Plan and the 2007 Stock Incentive Plan. No further equity awards will be issued under the 1998 Stock Option Plan.

The 2007 Stock Incentive Plan provides for the grant of stock options, stock appreciation rights, RSU's, restricted stock or any other stock based award. In May 2011 and May 2013, the Danaher Corporation's shareholders approved amendments to the 2007 Stock Incentive Plan that, amongst other items, authorised the issuance of an additional 24 million shares pursuant to the plan bringing the total number of shares authorised for issuance under the plan to 52 million. No more than 19 million authorised shares may be granted in any form other than stock options or stock appreciation rights.

Stock options generally vest pro-rata over a five year period and terminate ten years from the grant date. Options exercise prices for options granted by Danaher Corporation are the closing price on the New York Stock Exchange of the common stock of Danaher Corporation on the date of the grant.

RSU's issued under 2007 Stock Incentive Plan and the 1998 Stock Option Plan provides the issuance of a share of the common stock of Danaher Corporation at no cost to the holder. Most RSU awards granted prior to the third quarter of 2009 are subject to performance criteria determined by the compensation committee. The RSU's that have been granted to employees under the 2007 Stock Incentive Plan and the 1998 Stock Option Plan generally provide for time-based vesting over a five year period, although the specific time-based vesting terms vary depending on the grant date. Prior to vesting, RSU's do not have a dividend equivalent right or voting rights and the shares underlying the RSU's are not considered issued and outstanding.

The options, RSU's and restricted shares generally vest only if the employee is employed by the company on the vesting date or in other limited circumstances. To cover the exercise of options and vesting of RSU's, Danaher Corporation generally issues new shares from its authorised but unissued share pool although it may instead issue treasury shares in certain circumstances.

The weighted average remaining contractual life for the share options outstanding at 31st December 2015 were 5 years (2014 - 5 years).

The range of exercise price for the options outstanding at the end of the year was \$26,295 to \$88.33 (2014 - \$26,295 to \$82.23).

The weighted average share price at the date of exercise for the options exercised in 2015 is \$93.89 (2014 - \$78.13).

The company accounts for stock based compensation by measuring the cost of employee services received in exchange for all equity awards granted, including stock options, RSU's and restricted shares, based on the fair value of the award as of the grant date. The company recognises the compensation expense over the requisite service period, which is generally the vesting period but may be shorter than the vesting period if the employee becomes retirement eligible before the end of the vesting period. The fair value of RSU and restricted stock awards was calculated using the closing price of the common stock of Danaher Corporation on the date of the grant. The fair value of the options granted was calculated using a Black Scholes Merton option pricing model. ("Black -Scholes").

Hach Lange Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

19 Parent and ultimate parent undertaking

The company's immediate parent undertaking is Launchcharge Operations Limited, a company registered in England and Wales.

The ultimate parent is Danaher Corporation, a company incorporated in the USA. These financial statements are available upon request from 2200 Pennsylvania Avenue, Suite 800 West, Washington DC 20037, USA.

The ultimate controlling party is Danaher Corporation.

The financial statements of Danaher Corporation are available to view at 2200 Pennsylvania Avenue, Suite 800 West, Washington DC 20037, USA.

20 First year adoption of FRS 101

These financial statements, for the year ended 31 December 2015, are the first the Company has prepared in accordance with FRS 101. For periods up to and including the year ended 31 December 2014, the Company prepared its financial statements in accordance with UK generally accepted accounting practice (UK GAAP).

Accordingly, the Company has prepared financial statements which comply with FRS 101 applicable for periods ending on or after 31 December 2015 together with the comparative period data as at and for the year ended 31 December 2014, as described in the accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 January 2014, the Company's date of transition to FRS 101.

This note explains the principal adjustments made by the company in restating its UK GAAP balance sheet as at 1 January 2014 and its previously published UK GAAP financial statements as at and for the year ended 31 December 2014.

Exemptions applied

IFRS 1 allows first time adopters certain exemptions from the general requirement to apply IFRS as effective for 31 December 2015 year ends retrospectively. Details of the exemptions taken by the Company are outlined in Note 2 to the Financial Statements

Hach Lange Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

Transition to FRS 101

Reconciliation of equity as at 1 January 2014 (date of transition to FRS 101)

Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
Fixed assets				
Intangible assets	129,000	-	-	129,000
Tangible fixed assets	51,000	-	-	51,000
	<u>180,000</u>	<u>-</u>	<u>-</u>	<u>180,000</u>
Current assets				
Stocks	13,000	-	-	13,000
Debtors	5,074,000	(77,000)	-	4,997,000
Deferred tax asset	-	77,000	843,000	920,000
Cash at bank and in hand	2,312,000	-	-	2,312,000
	<u>7,399,000</u>	<u>-</u>	<u>843,000</u>	<u>8,242,000</u>
Creditors: Amounts falling due within one year	<u>(4,843,000)</u>	<u>-</u>	<u>-</u>	<u>(4,843,000)</u>
Net current assets/(liabilities)	<u>2,556,000</u>	<u>-</u>	<u>843,000</u>	<u>3,399,000</u>
Net assets/(liabilities)	<u>2,736,000</u>	<u>-</u>	<u>843,000</u>	<u>3,579,000</u>
Capital and reserves				
Share capital	10,000	-	-	10,000
Profit and loss account	2,726,000	-	843,000	3,569,000
Shareholders' funds/(deficit)	<u>2,736,000</u>	<u>-</u>	<u>843,000</u>	<u>3,579,000</u>

Hach Lange Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

Transition to FRS 101 (continued)

Reconciliation of Equity as at 31 December 2014

Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
Fixed assets				
Intangible assets	114,000	-	15,000	129,000
Tangible fixed assets	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>30,000</u>
	<u>144,000</u>	<u>-</u>	<u>15,000</u>	<u>159,000</u>
Current assets				
Stocks	34,000	-	-	34,000
Debtors	5,404,000	(69,000)	-	5,335,000
Deferred tax asset	-	69,000	825,000	894,000
Cash at bank and in hand	<u>5,352,000</u>	<u>-</u>	<u>-</u>	<u>5,352,000</u>
	10,790,000	-	825,000	11,615,000
Creditors: Amounts falling due within one year	<u>(7,073,000)</u>	<u>-</u>	<u>-</u>	<u>(7,073,000)</u>
Net current assets/(liabilities)	<u>3,717,000</u>	<u>-</u>	<u>825,000</u>	<u>4,542,000</u>
Net assets/(liabilities)	<u>3,861,000</u>	<u>-</u>	<u>840,000</u>	<u>4,701,000</u>
Capital and reserves				
Share capital	10,000	-	-	10,000
Profit and loss account	<u>3,851,000</u>	<u>-</u>	<u>840,000</u>	<u>4,691,000</u>
Shareholders' funds/(deficit)	<u>3,861,000</u>	<u>-</u>	<u>840,000</u>	<u>4,701,000</u>

Hach Lange Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

Transition to FRS 101 (continued)

Reconciliation of Total Comprehensive Income for the year ended 31 December 2014

Note	As originally reported £	Remeasurement £	As restated £
Turnover	21,573,000	-	21,573,000
Cost of sales	<u>(16,479,000)</u>	<u>-</u>	<u>(16,479,000)</u>
Gross profit/(loss)	5,094,000	-	5,094,000
Administrative expenses	(5,038,000)	(510,000)	(5,548,000)
Other operating income	<u>1,064,000</u>	<u>-</u>	<u>1,064,000</u>
Operating profit/(loss)	1,120,000	(510,000)	610,000
Other interest receivable and similar income	<u>13,000</u>	<u>-</u>	<u>13,000</u>
Profit/(loss) before tax	1,133,000	(510,000)	623,000
Tax on profit on ordinary activities	<u>(8,000)</u>	<u>7,000</u>	<u>(1,000)</u>
Profit/(loss) for the financial year	<u><u>1,125,000</u></u>	<u><u>(503,000)</u></u>	<u><u>622,000</u></u>

Notes to the reconciliation of equity as at 1 January 2014 and 31 December 2014 and total comprehensive income for the year ended 31 December 2014.

Share based payment transactions to the value of £525,000 were included within administrative expenses for the year ended 31 December 2014.

The deferred tax asset balance of £77,000 at 1 January 2014 was re-measured to £920,000, and the deferred tax balance of £69,000 at 31 December 2014 was re-measured to £894,000 to reflect the tax effect of timing differences on grant of share options, and increase in a provision for dilapidation on one leasehold property. The deferred tax balances were also reclassified from debtors to be disclosed separately on the face of the balance sheet.

Goodwill charge of £15,000 was reversed in the accounts for the year ended 31 December 2014. This was also included as a Re-measurement within the Reconciliation of Equity as at 31 December 2014.