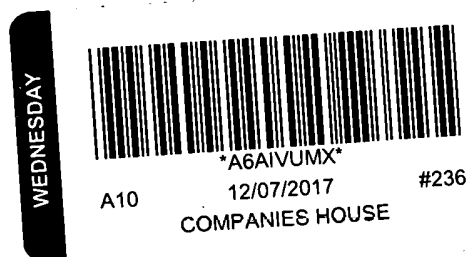


Company Registration No. 2807736

MOLECULAR DEVICES (UK) LIMITED

Report and Financial Statements

31 December 2016



MOLECULAR DEVICES (UK) LIMITED

REPORT AND FINANCIAL STATEMENTS 2016

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MOLECULAR DEVICES (UK) LIMITED

REPORT AND FINANCIAL STATEMENTS 2016

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

K Ward
G M Milosevich
K P Smith

SECRETARY

D J Gould

REGISTERED OFFICE

660-665 Eskdale Road
Winnersh Triangle
Wokingham
Berkshire
RG41 5TS
United Kingdom

BANKERS

HSBC PLC
8 Canada Square
London
E14 5HQ
United Kingdom

AUDITORS

Ernst & Young LLP
400 Capability Green
Luton
Bedfordshire
LU1 3LU
United Kingdom

MOLECULAR DEVICES (UK) LIMITED

STRATEGIC REPORT

The directors present their strategic report for the year ended 31 December 2016.

REVIEW OF BUSINESS

The company sells and performs repairs and servicing of proprietary, high-performance bio-analytical measurement systems and associated consumable reagents that are developed by Molecular Devices LLC, a company that is incorporated in the United States of America (the Parent). The products are used in many aspects of the therapeutic development process, from drug discovery and clinical research through manufacturing and quality control.

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

KPI	2016 £000	2015 £000	Change % on annualised basis
Turnover	21,935	18,934	15.8%
Total operating profit	1,627	936	73.9%

The increased revenue during 2016 was primarily driven by service (£2.2m or 38%), which recovered after a decline in 2015. Instrument revenue also increased by £1m (12%) but sales of reagents and consumables fell by £0.5m (-15%). The positive effect the aforementioned had on total operating profit was mainly driven by service where the gross margin increased by £1.4m (55%).

PRINCIPAL RISKS AND UNCERTAINTIES

Foreign currency risk

The company has transactional currency exposures which arise from sales in currencies other than its functional currency as well as the currency risk associated with inter-company transactions in various currencies. Potential exposures to foreign currency exchange rate movements are monitored monthly.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for that other party by failing to discharge an obligation. Company policies are aimed at minimising such losses, and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures. Details of the company's debtors are shown in Note 12 to the financial statements. The company has a large customer base of varying size and risk which covers a large geographical area and therefore this minimises the impact should a debtor default on its terms.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The company joined a group cash pooling arrangement during the year to mitigate liquidity risk.

Cash flow risk

Cash flow risk is the risk that inflows and outflows of cash and cash equivalents will not be sufficient to finance day-to-day operations of the company. The company manages cash flow risk by careful negotiation of terms with customers, suppliers and affiliates, to maintain available funds to meet its liabilities as they fall due. The company has no external loan debt and accordingly has no significant interest risk.

MOLECULAR DEVICES (UK) LIMITED

STRATEGIC REPORT

(cont.)

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 and agreed with the parent company are implemented by the company's finance department.

FUTURE DEVELOPMENTS

The company continues to sell and perform repairs and servicing on its specialist equipment and anticipates that it will continue to contribute to the group.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'D J Gould', is written over a faint, illegible stamp.

D J Gould

Secretary

Date: 29 June 2017

MOLECULAR DEVICES (UK) LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2016.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,581,000 (2015: £951,000). No ordinary dividends were paid during the year (2015: £nil) or are proposed.

DIRECTORS

The directors who served during the year were as follows:

K G Ward

T M Booth (resigned 15 April 2016)

R E Patterson (resigned 3 March 2017)

Subsequent to the year-end G M Milosevich and K P Smith were appointed directors.

GOING CONCERN

The company's business activities together with its performance are set out in the review of the business on page 2. In addition the principle risks and uncertainties below include the company's objectives and policies for managing its financial risks.

The company is expected to generate positive cash flows for the foreseeable future, has reasonable financial resources and has a large number of customers across different geographic areas and sectors. The company is part of the Danaher UK group cash pool arrangement. As part of the group cash pool arrangement, each company has entered into unlimited cross guarantees in respect of bank borrowings with fellow participating companies. 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. As a result, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

DISCLOSURE OF INFORMATION TO AUDITORS

The directors, who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the company's auditors, the directors confirm that:

- to the best their knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware; and
- they have taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

In accordance with s. 485 of the Companies Act 2006 a resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board



K Ward

Director

Date: 29 June 2017

MOLECULAR DEVICES (UK) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (FRS101). 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOLECULAR DEVICES (UK) LIMITED

We have audited the financial statements of Molecular Devices (UK) Ltd for the year ended 31 December 2016 which comprise the statement of comprehensive income, the Balance Sheet, the Statement of changes in Equity and the related notes 1 to 21. 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 Financial Reporting Standard 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 Directors' Responsibilities 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on 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 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 'Reduced Disclosure Framework'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOLECULAR DEVICES (UK) LIMITED

(cont.)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

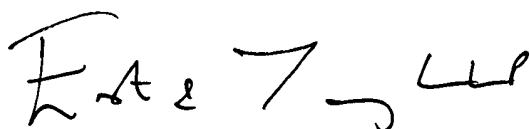
- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report.

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.



Fraser Bull (Senior statutory auditor)

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

30 June 2017

MOLECULAR DEVICES (UK) LIMITED

STATEMENT OF COMPREHENSIVE INCOME For the year ended 31 December 2016

	Note	2016 £000	2015 £000
TURNOVER	3	21,935	18,934
Cost of sales		<u>(14,396)</u>	<u>(12,184)</u>
GROSS PROFIT		7,539	6,750
Sales and Distribution costs		(4,321)	(4,822)
Administrative expenses		<u>(1,591)</u>	<u>(992)</u>
OPERATING PROFIT	4	1,627	936
Interest receivable and similar income	6	10	26
Interest payable and similar charges	7	<u>(66)</u>	<u>(52)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,571	910
Tax credit on profit on ordinary activities	8	<u>10</u>	<u>41</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION, AND TOTAL COMPREHENSIVE INCOME		<u>1,581</u>	<u>951</u>

The accompanying notes are an integral part of this statement of comprehensive income.

All activities derive from continuing operations.

MOLECULAR DEVICES (UK) LIMITED

Registered number 2807736

BALANCE SHEET At 31 December 2016

	Note	2016 £000	2015 £000
NON CURRENT ASSETS			
Intangible assets	9	280	418
Tangible assets	10	915	1,307
Investment	13	4,835	4,835
Deferred tax	8	346	336
		<u>6,376</u>	<u>6,896</u>
NET CURRENT ASSETS			
Stock	11	169	169
Debtors			
- due within one year	12	10,818	8,422
Cash at bank and in hand		405	2,345
		<u>11,392</u>	<u>10,936</u>
CREDITORS: amounts falling due within one year	14	<u>(8,549)</u>	<u>(10,233)</u>
NET CURRENT ASSETS		<u>2,843</u>	<u>703</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>9,219</u>	<u>7,599</u>
CREDITORS: amounts falling due after more than one year	15	(482)	(443)
PROVISION FOR LIABILITIES AND CHARGES	16	<u>(175)</u>	<u>(175)</u>
NET ASSETS		<u>8,562</u>	<u>6,981</u>
CAPITAL AND RESERVES			
Called up share capital	17	10	10
Profit and loss account		<u>8,552</u>	<u>6,971</u>
TOTAL SHAREHOLDERS' FUNDS		<u>8,562</u>	<u>6,981</u>

These financial statements were approved by the Board of Directors on 29 June 2017.

Signed on behalf of the Board of Directors



K G Ward

Director

The accompanying notes are an integral part of this balance sheet.

MOLECULAR DEVICES (UK) LIMITED

STATEMENT OF CHANGES IN EQUITY For the year ended 31 December 2016

	Called-up share capital £000	Profit and loss account £000	Total Shareholders funds £000
At 1 January 2015	10	6,020	6,030
Profit and total comprehensive income for the year	-	951	951
Equity dividends paid	-	-	-
31 December 2015	10	6,971	6,981
Profit and total comprehensive income for the year	-	1,581	1,581
Equity dividends paid	-	-	-
At 31 December 2016	10	8,552	8,562

The accompanying notes are an integral part of this statement of changes in equity.

MOLECULAR DEVICES (UK) LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2016

1. STATEMENT OF COMPLIANCE WITH FRS101

Molecular Devices (UK) Limited is incorporated and domiciled in England and Wales. 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's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

The results of Molecular Devices (UK) 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.

The principal accounting policies adopted by the Company are set out in note 2.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

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 accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2016.

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

- (a) the requirements of IFRS 7 *Financial Instruments: Disclosures*
- (b) the requirements of paragraphs 91-99 of IFRS 13 *Fair Value Measurement*
- paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1;
 - (ii) paragraph 73(e) of IAS 16 *Property, Plant and Equipment*;
 - (iii) paragraph 118(e) of IAS 38 *Intangible Assets*;
- (d) the requirements of paragraphs 10(d), 10(f), 38A, 38B, 38C, 38D, 111, and 134-136 of IAS 1 *Presentation of Financial Statements*;
- (e) the requirements of IAS 7 *Statement of Cash Flows*;
- (f) the requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*;
- (g) the requirements of paragraph 17 of IAS 24 *Related Party Disclosures*;
- (h) 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 ; and
- (i) the requirements of paragraphs 130(f)(ii)-130(f)(iii) of IAS 36 *Impairment of Assets*

2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

New and amended standards and interpretations adopted by the Company

There are no changes to IFRS effective in 2016 which have a material impact on Molecular Devices (UK) Limited.

MOLECULAR DEVICES (UK) LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2016

(cont.)

2.3 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 and estimates have had the most significant effect on amounts recognised in the financial statements:

Impairment of investments

Where there are indications of impairment, management performs impairment tests based on fair value less costs to sell or value in use, which includes estimates, for example of market prices and the use of discount rates.

2.4 SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty.

The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods or when delivery has occurred depending on the terms of the customer purchase order.

Rendering of services

Revenue from maintenance and service agreements is recognised over the period in which the maintenance services are rendered.

Interest income

Revenue is recognised as interest accrues using the effective interest method.

Intangible assets

Intangible assets acquired separately from a business are capitalised at cost.

Intangible assets are amortised on a straight line basis over their estimated useful life up to a maximum of 20 years. The carrying value of intangible assets is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or change in circumstances indicate the carrying value may not be recoverable.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all leasehold improvements, property, plant and equipment, other than land, on a straight-line basis over its expected useful life as follows:

Buildings (long leasehold land)	– over life of lease (5 years)
Computer and equipment	– over 3 to 5 years (Office equipment 5 years / Computer equipment 3 years)

MOLECULAR DEVICES (UK) LIMITED

NOTES TO THE ACCOUNTS **Year ended 31 December 2016**

(cont.)

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

An item of computer and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the derecognition of the asset is included in the income statement in the period of derecognition.

Demonstration equipment, which is available for resale is included within tangible fixed assets and written down by 33% of cost per annum or if greater, the amount expected to reduce the equipment to net realisable value. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal

Investments

Investments in subsidiaries, associates and joint ventures are held at historical cost less any applicable provision for impairment.

Impairment of assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount in order to determine the extent of the impairment loss. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses on continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

For assets where an impairment loss subsequently reverses, the carrying amount of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined, net of depreciation, had no impairment losses been recognised for the asset or cash generating unit in prior years. A reversal of impairment loss is recognised immediately in the income statement, unless the asset is carried at a revalued amount when it is treated as a revaluation increase.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition:

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Foreign currency

The company's financial statements are presented in sterling, which is also the company's functional currency. Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange prevailing at the balance sheet date. All exchange differences are included in the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

MOLECULAR DEVICES (UK) LIMITED

NOTES TO THE ACCOUNTS **Year ended 31 December 2016**

(cont.)

Leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term. Operating lease incentives are spread over the period of the lease incentive which ends at the first lease break.

Leases are classified as either finance or operating leases. Leasing transactions that transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee are classified as finance leases. All other leasing agreements are classified as operating leases.

Rentals under operating leases are charged in the profit and loss account on a straight-line basis over the lease term.

Pension costs

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

Provision for liabilities

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised; and
- where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legally enforcement right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

MOLECULAR DEVICES (UK) LIMITED

NOTES TO THE ACCOUNTS **Year ended 31 December 2016**

(cont.)

Financial guarantees

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

Financial Assets

The company's financial assets include cash, trade and other debtors.

Cash and cash equivalents comprise balances on bank accounts, cash in transit and cash floats held in the business.

Trade and other debtors that have fixed or determinable payments that are not quoted in an active market are classified as debtors. Trade debtors are measured initially at transaction price and subsequently at amortised cost using the effective interest method, less any impairment.

Finance income is accounted for on an accruals basis and credited to the income statement when receivable.

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the assets to another entity. If the company neither transfers nor retains substantially all the risks and rewards of the ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. Of the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial Liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classified as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited directly to equity.

MOLECULAR DEVICES (UK) LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2016

(cont.)

3. TURNOVER AND SEGMENTAL INFORMATION

	2016 £000	2015 £000
Sales of goods	13,938	13,152
Rendering of services	7,997	5,782
	<u>21,935</u>	<u>18,934</u>
	2016 £000	2015 £000
Turnover by destination		
United Kingdom	8,743	7,601
Europe	12,930	11,077
Rest of World	262	256
	<u>21,935</u>	<u>18,934</u>

No revenue was derived from the exchanges of goods or services (2015: nil).

4. OPERATING PROFIT

Operating profit is stated after charging:

	2016 £000	2015 £000
Depreciation of tangible fixed assets - owned	537	371
Amortisation of intangible assets*	138	138
Operating lease rentals		
- land and buildings	168	186
- plant and machinery	117	109
Auditors' remuneration	48	36
Exchange differences	23	8

* Amortisation of intangible assets is included in Administrative Expenses.

(cont.)

MOLECULAR DEVICES (UK) LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2016

5. STAFF COSTS

(a) Staff costs

	2016 £000	2015 £000
Staff costs during the year		
Wages and salaries	3,606	3,477
Social security costs	779	772
Other pension costs	265	235
	<u>4,650</u>	<u>4,484</u>

	2016 No.	2015 No.
Average numbers of persons employed		
Sales and distribution	23	25
Finance / IT / HR / Marketing	11	9
Applications	7	7
Service	30	27
	<u>71</u>	<u>68</u>

At the balance sheet date there were unpaid pension contributions of £0 (2015: £0) in respect of the defined contribution scheme.

(b) Directors' emoluments	2016 £000	2015 £000
The following disclosures are in respect of qualifying services provided by the directors of the company		
Aggregate emoluments in respect of qualifying services	<u>198</u>	<u>239</u>
Aggregate value of contributions paid by the company to money purchase pension schemes	<u>40</u>	<u>63</u>
Number of directors accruing benefits under money purchase schemes	<u>2</u>	<u>2</u>

K Ward services to this company are of a non-executive nature and his emoluments are deemed to be wholly attributable to qualifying services to other group companies. Accordingly, these financial statements include no emoluments in respect of the director K Ward (2015: £nil).

In respect of the highest paid director:	2016 £000	2015 £000
Aggregate emoluments	<u>170</u>	<u>163</u>
Aggregate value of contributions paid by the company to money purchase pension schemes	<u>16</u>	<u>13</u>
Accrued pension at the end of the year	<u>-</u>	<u>-</u>

MOLECULAR DEVICES (UK) LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2016

(cont.)

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2016 £000	2015 £000
Bank interest receivable	10	26
	<u>10</u>	<u>26</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2016 £000	2015 £000
Bank interest payable	66	52
	<u>66</u>	<u>52</u>

8. TAX ON PROFIT / (LOSS) ON ORDINARY ACTIVITIES

(a) Tax charged to profit or loss in the statement of comprehensive income

	2016 £000	2015 £000
Current tax		
UK corporation tax at the standard rate of 20.25% (2015 21.5%)	-	-
Adjustment in respect of prior years	-	-
Withholding tax	-	-
	<u>-</u>	<u>-</u>
Deferred tax		
Charge / (credit) to the profit and loss account	(10)	13
Adjustment in respect of prior periods	-	(54)
Adjustment in respect of change in tax rates	-	-
	<u>(10)</u>	<u>(41)</u>
	<u>(10)</u>	<u>(41)</u>
Taxation charge / (credit) for the year	<u>(10)</u>	<u>(41)</u>

MOLECULAR DEVICES (UK) LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2016

(cont.)

(b) Reconciliation of the total tax charge

The standard rate of tax for the year, based on the UK standard rate of corporation tax, is 20.00% (2015: 20.25%). The differences between the total current tax shown in 8(a) and the amount calculated by applying the rate of UK corporation tax to the profit before tax are as follows:

	2016 £000	2015 £000
Profit / (loss) before tax	<u>1,571</u>	<u>910</u>
Tax on profit / (loss) on ordinary activities at standard UK corporation tax rate of 20.00% (2015: 20.25%)	314	184
Effects of:		
(Income)/expenses not (taxable)/deductible for tax purposes	93	29
Differences in tax rates	1	18
Prior year adjustment to deferred tax	-	(54)
Group relief claimed or surrendered for nil consideration	<u>(418)</u>	<u>(219)</u>
Total tax expense reported in the income statement	<u>(10)</u>	<u>(41)</u>

Details of recognised and unrecognised deferred tax assets are shown below.

(c) Deferred tax

The deferred tax included in the company balance sheet is as follows:

	2016 £000	2015 £000
Deferred tax asset		
Fixed assets	295	288
Other timing differences	<u>51</u>	<u>48</u>
	<u>346</u>	<u>336</u>
Disclosed on the balance sheet		
Deferred tax asset	<u>346</u>	<u>336</u>

There are no unrecognised deferred tax assets or liabilities.

The directors believe recognition of a deferred tax asset is appropriate as the asset is more likely than not to be recovered against future taxable profits of the company.

The net deferred tax asset outlined above is included in non-current assets in the balance sheet. Of these net deferred tax assets £336,000 is due in more than one year (2015: £294,000).

(cont.)

MOLECULAR DEVICES (UK) LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2016

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 (ie 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. Finance Act 2016 was substantively enacted on 15 September 2016, including the clause to reduce the corporation tax rate to 17% from 1 April 2020.

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%.

Deferred tax asset/ (liability) is provided as follows:

	2016 £000	2015 £000
Deferred tax asset as at 1 January	336	294
(Charge)/credit to the Income Statement	10	(12)
Adjustment in respect of prior years	-	54
Deferred tax asset as at 31 December	<u>346</u>	<u>336</u>

9. INTANGIBLE FIXED ASSETS

	Distribution rights £000	Intellectual property £000	Total £000
Cost			
At 1 January 2016	762	400	1,162
Additions	-	-	-
Disposals	-	-	-
Write off	-	-	-
At 31 December 2016	<u>762</u>	<u>400</u>	<u>1,162</u>
Amortisation			
At 1 January 2016	444	300	744
Charge for the year	38	100	138
Disposals	-	-	-
Impairment charge for the year	-	-	-
At 31 December 2016	<u>482</u>	<u>400</u>	<u>882</u>
Net book value			
At 31 December 2016	<u>280</u>	<u>-</u>	<u>280</u>
At 1 January 2016	<u>318</u>	<u>100</u>	<u>418</u>

The distribution rights intangible asset arises on the acquisition of the distribution rights of Sopachem, in the Benelux Territories.

(cont.)

The field service engineering function of a fellow group company, Molecular Devices (New Milton) Ltd,

MOLECULAR DEVICES (UK) LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2016

was transferred to the company in 2013. The related intellectual property is estimated to have a useful life of four years. No impairment was deemed to be required on these intangible assets

10. TANGIBLE FIXED ASSETS

	Leasehold improvements £000	Computer, office furniture and equipment £000	Total £000
Cost			
At 1 January 2016	300	2,233	2,533
Additions	-	665	665
Disposals	-	(922)	(922)
At 31 December 2016	300	1,976	2,276
Depreciation			
At 1 January 2016	300	926	1,226
Charge for the year	-	537	537
Disposals	-	(402)	(402)
At 31 December 2016	300	1,061	1,361
Net book value			
At 31 December 2016	-	915	915
At 1 January 2016	-	1,307	1,307

11. STOCKS

	2016 £000	2015 £000
Finished goods and goods for resale	169	169
	169	169

The estimated replacement cost of stock does not differ significantly from the above.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £000	2015 £000
Trade debtors	4,715	3,659
Amounts owed by other group undertakings	5,780	4,509
Other debtors	9	9
Other taxation	145	104
Prepayments and accrued income	169	141
	10,818	8,422

MOLECULAR DEVICES (UK) LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2016

(cont.)

13. INVESTMENTS

	Investment £000	Total £000
Cost		
At 1 January 2016	4,835	4,835
Additions	-	-
Disposals	-	-
At 31 December 2016	<u>4,835</u>	<u>4,835</u>
Impairment		
At 1 January 2016	-	-
Charge for the year	-	-
Disposals	-	-
At 31 December 2016	<u>-</u>	<u>-</u>
Carrying value		
At 31 December 2016	<u>4,835</u>	<u>4,835</u>
At 1 January 2016	<u>4,835</u>	<u>4,835</u>

The company holds (either directly or indirectly) investments in ordinary shares of the following undertaking:

<u>Company Name</u>	<u>Country of Incorporation</u>	<u>Principal activity</u>
Beckman Holdings Limited	United Kingdom	Holding company

The investment made in Beckman Holdings Ltd was in exchange for 15 new ordinary shares.

On 13 June 2017 the company contributed £1,730,501 to Beckman Holdings Limited in exchange for the issue of 3 new ordinary shares of £1 each.

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £000	2015 £000
Trade creditors	270	229
Bank loans and overdraft	4,734	3,752
Payments received on account	304	394
Amounts owed to other group undertakings	-	3,201
Other taxation and social security	190	221
Accruals and deferred income	<u>3,051</u>	<u>2,436</u>
	<u>8,549</u>	<u>10,233</u>

MOLECULAR DEVICES (UK) LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2016

(cont.)

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016 £000	2015 £000
Deferred income	482	443
Total creditors: amounts falling due after more than one year	<u>482</u>	<u>443</u>

16. PROVISION FOR LIABILITIES AND CHARGES

	Dilapidation provision £000	Total £000
At 1 January 2016		
- Current	-	-
-Non-current	175	175
	<u>175</u>	<u>175</u>
Utilised/paid during the year	-	-
Arising during the year	-	-
Utilised in year	-	-
At 31 December 2016	<u>175</u>	<u>175</u>
- Current	-	-
-Non-current	175	175
	<u>175</u>	<u>175</u>

Dilapidations provision

The provision represents the estimated cost of remedial work required on property at 660-665 Eskdale Road, Winnersh Triangle when the lease is terminated. This is expected to be utilised in the next 4 years.

17. CALLED UP SHARE CAPITAL

	2016 £000	2015 £000
Called up, allotted and fully paid		
10,000 ordinary shares of £1 each (2015: 10,000)	10	10
	<u>10</u>	<u>10</u>

(cont.)

MOLECULAR DEVICES (UK) LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2016

18. GUARANTEES AND OBLIGATIONS UNDER LEASES

Guarantees

The company has provided for the following guarantees at 31 December 2016:

- Guarantee of £ 500,000 with HSBC in respect of HMRC deferment account. No liability is expected to arise.
- An unlimited multi-lateral guarantee exists between all the United Kingdom based subsidiaries of Danaher Corporation and HSBC Bank plc.

Operating lease agreements where the Company is lessee

Future minimum rentals payable under non-cancellable operating leases are as follows:

	Land and buildings 2016 £000	Other 2016 £000	Land and buildings 2015 £000	Other 2015 £000
Not later than one year	168	93	168	103
After one year but more than five years	462	63	630	123
After five years	-	-	-	-
	<u>630</u>	<u>249</u>	<u>798</u>	<u>226</u>

19. PENSION ARRANGEMENTS

Defined contribution schemes

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. The unpaid contributions outstanding at the year end, included in 'other taxes and social security costs', are £0 (year ended 31 December 2015: £3,180).

20. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent undertaking is Molecular Devices LLC, a company incorporated in the USA.

The ultimate parent undertaking and controlling party is Danaher Corporation, a company incorporated in the USA.

The largest and smallest group in which the results of the company are consolidated is Danaher Corporation, a company incorporated in the USA. The consolidated financial statements of this group are available to the public and may be obtained from 2200 Pennsylvania Avenue, Suite 800 West, Washington DC 20037, USA.

21. RELATED PARTY DISCLOSURES

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries.