

Company Registration No. 02807736 (England and Wales)

MOLECULAR DEVICES (UK) LIMITED
ANNUAL REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2019

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MOLECULAR DEVICES (UK) LIMITED

COMPANY INFORMATION

Directors	S W Murphy H Qian
Company number	02807736
Registered office	660-665 Eskdale Road Winnersh Triangle Wokingham Berkshire RG41 5TS
Auditor	Ernst & Young LLP 400 Capability Green Luton LU1 3LU
Bankers	HSBC Bank Plc 8 Canada Square London E14 5HQ

MOLECULAR DEVICES (UK) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their Strategic Report and Directors' Report for the year ended 31 December 2019.

Review of the 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:

	2019	2018	Variance	Variance
	£'000	£'000	£'000	%
Turnover	35,112	22,483	12,629	56.2%
Operating profit	227	668	(441)	(66.0%)

Total revenue increased during 2019 by £12,629,000 (+56.2%). This was driven by transitioning the Forte Bio division from Pall Corporation, which provides protein analysis instruments that accelerate the discovery and development of biotech drugs in a competitive market. By income stream, the largest gains were achieved in Instruments (+83.4%) and Service (+21.1%) followed by Software (+11.5%).

The outlook for 2020 remains positive with estimated double digit growth following the increase for research and discovery in biologics drug development.

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 the 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 13 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 prior year to mitigate liquidity risk.

Given the size of the company, the directors have not delegated the responsibility for 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.

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 (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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



H Qian

Director

Date: 03/29/2021

MOLECULAR DEVICES (UK) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

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

Principal activities

The principal activity of the company continued to be that of selling and servicing proprietary, high-performance bio-analytical measurement systems and associated consumable reagents.

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

D J Gould	(Appointed 25 November 2019 and resigned 30 June 2020)
T Illiano	(Resigned 25 November 2019)
G M Milosevich	(Resigned 25 November 2019)
S W Murphy	(Appointed 25 November 2019)
H Qian	(Appointed 28 November 2019)
K G Ward	(Resigned 28 November 2019)

Post reporting date events

Since the balance sheet date, the COVID-19 pandemic has spread across the world. This is considered a non-adjusting post-balance sheet event and the impact of COVID-19, such as any impairment considerations, will be reported in the 2020 financial statements.

Uncertainty as to the length of the pandemic and the related measures to combat it mean that the full impact cannot yet be known but the directors are confident that they have put in place measures to ensure the impact is mitigated as much as possible, with protection of staff, continuity of supply chain, continued service delivery to customers and maintenance of ongoing productivity.

Going concern

The COVID-19 pandemic has had, at the time of approving these financial statements, relatively little impact on the company. The demand for the company's products and services has increased, highlighting the importance of the Life Science industry in which the company plays an important part, but there has been some delay in order fulfilment, as indicated below and accordingly the forecast for the coming periods covering at least 12 months from approval of the financial statements, has been adjusted to reflect the directors' current expectations of the impact on results for future periods.

Whilst there have been restrictions on staff movements, the business has encountered a slowdown in fulfilling customers orders in the first half of 2020 due to the intrinsic nature of business involving necessity of direct customer interaction and product installation. As a result, realization of customers orders has been partly delayed in the first and second quarter of the year. During the second half of the year 2020, the company experiences a strong rebound of business and backlog reduced to pre-pandemic levels.

The company is part of the Danaher UK group cash pool arrangement. All members of the cash pool have entered into unlimited cross guarantees in respect of bank borrowing based on cash balances within the cash pool accounts.

The directors continue to monitor the impact of the pandemic on the business as more information about it emerges, with particular focus on the potential impact of staff shortages and operating delays. At the time of signing, the directors do not consider COVID-19 to impact the company's ability to continue as a going concern and consider the balance sheet to be appropriately valued.

MOLECULAR DEVICES (UK) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

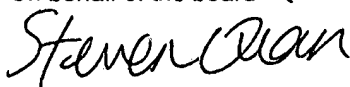
Auditor

In accordance with the company's articles, a resolution proposing that Ernst & Young LLP be reappointed as auditor of the company will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



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H Qian

Director

Date: 03/29/2021

MOLECULAR DEVICES (UK) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2019

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including 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 or of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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

Opinion

We have audited the financial statements of Molecular Devices (UK) Limited (the 'company') for the year ended 31 December 2019 which comprise the income statement, the statement of financial position, the statement of changes in equity and notes 1 to 26 to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101: 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - Effects of COVID-19

We draw attention to Note 1 and Note 23 of the financial statements which describe the impact on the Company of COVID-19 in its operations and assessment of going concern. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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



Fraser Bull (Senior Statutory Auditor)

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

Chartered Accountants

400 Capability Green

Luton

LU1 3LU

31 March 2021

MOLECULAR DEVICES (UK) LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2019

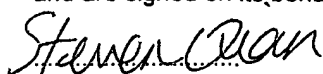
	Notes	2019 £'000	2018 £'000
Revenue	3	35,112	22,483
Cost of sales		(25,234)	(15,332)
Gross profit		9,878	7,151
Distribution costs		(8,764)	(5,423)
Administrative expenses		(887)	(1,060)
Operating profit	5	227	668
Investment income	6	-	48
Finance costs	7	(472)	(51)
(Loss)/profit before taxation		(245)	665
Tax on (loss)/profit	8	(49)	(90)
(Loss)/profit and total comprehensive (loss)/ income for the financial year		(294)	575

There is no comprehensive income other than the (loss)/profit for the financial year.

MOLECULAR DEVICES (UK) LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2019**

	Notes	2019 £'000	2018 £'000
Non-current assets			
Intangible assets	9	165	203
Property, plant and equipment	10	1,301	1,660
Investments	11	13,243	13,243
Deferred tax asset	17	233	246
		<u>14,942</u>	<u>15,352</u>
Current assets			
Inventories	12	605	612
Trade and other receivables	13	10,733	7,734
Current tax recoverable		8	-
Cash and cash equivalents		-	520
		<u>11,346</u>	<u>8,866</u>
Current liabilities			
Borrowings	15	9,489	9,206
Trade and other payables	14	4,552	3,050
Lease liabilities	16	307	-
		<u>14,348</u>	<u>12,256</u>
Net current liabilities		<u>(3,002)</u>	<u>(3,390)</u>
Total assets less current liabilities		<u>11,940</u>	<u>11,962</u>
Non-current liabilities			
Trade and other payables	14	265	335
Lease liabilities	16	342	-
		<u>607</u>	<u>335</u>
Provisions			
Other provisions	18	175	175
Net assets		<u>11,158</u>	<u>11,452</u>
Equity			
Called up share capital	20	10	10
Retained earnings		11,148	11,442
Total equity		<u>11,158</u>	<u>11,452</u>

The financial statements were approved by the board of directors and authorised for issue on 29 March 2021 and are signed on its behalf by:


H Qian, Director

MOLECULAR DEVICES (UK) LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2018	10	10,867	10,877
Year ended 31 December 2018:			
Profit and total comprehensive income for the year	-	575	575
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2018	10	11,442	11,452
	<hr/>	<hr/>	<hr/>
Year ended 31 December 2019:			
Loss and total comprehensive expense for the year	-	(294)	(294)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2019	10	11,148	11,158
	<hr/>	<hr/>	<hr/>

Total equity is attributable to the owners of the parent company.

MOLECULAR DEVICES (UK) LIMITED

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

1 Accounting policies

Company information

Molecular Devices (UK) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 660-665 Eskdale Road, Winnersh Triangle, Wokingham, Berkshire, RG41 5TS.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

The financial statements have been prepared in accordance with FRS 101: Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost basis. The principal accounting policies adopted are set out below.

In preparing these financial statements, the Company applied the recognition and measurement requirements of International Financial Reporting Standards as adopted by the EU ("IFRS"), amended where necessary in order to comply with Companies Act 2006.

Reduced disclosures

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- inclusion of an explicit and unreserved statement of compliance with IFRS;
- presentation of a Statement of Cash Flows and related notes;
- disclosure of the objectives, policies and processes for managing capital;
- disclosure of key management personnel compensation;
- disclosure of the categories of financial instrument and the nature and extent of risks arising on these financial instruments;
- the effect of financial instruments on the Statement of Comprehensive Income;
- comparative period reconciliations for the number of shares outstanding and the carrying amounts of property, plant and equipment and intangible assets;
- disclosure of the future impact of new International Financial Reporting Standards in issue but not yet effective at the reporting date;
- related party disclosures for transactions with the parent or wholly owned members of the group.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard. Where required, equivalent disclosures are given in the group accounts of Danaher Corporation. The group accounts of Danaher Corporation are available to the public and can be obtained from its registered office, 2200 Pennsylvania Avenue Suite 800 West, Washington DC 20037, USA, and on its website investors.danaher.com/annual-report-and-proxy.

Consolidation

Molecular Devices (UK) Limited is a wholly owned subsidiary of Danaher Corporation and the results of Molecular Devices (UK) Limited are included in the consolidated financial statements of Danaher Corporation which are available from its registered office and its website as disclosed above.

MOLECULAR DEVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (Continued)

Changes to significant accounting policies

The company has adopted IFRS 16 Leases with effect from 1 January 2019. The effect of initially adopting the standard is outlined below.

IFRS 16 Leases replaced the previous standard IAS 17, and determined how all leases are accounted for. The change has materially impacted the company's 2019 accounts. The company has adopted IFRS 16 using the modified retrospective approach, so that the right-of-use asset is equal to the lease liability on 1 January 2019, adjusted for any rent prepayments or accrued lease payments. The 2018 comparatives have not been restated, as allowed by the specific transitional provisions within the standard. The reclassifications and adjustments arising from the new standard are therefore recognised in the opening balance sheet as at 1 January 2019.

On adoption of IFRS 16, the company recognised lease liabilities in relation to leases that had previously been classified as operating leases under IAS 17. These liabilities were measured at the present value of the remaining lease payments, discounted using the company's incremental borrowing rate as at 1 January 2019.

Note 16 reconciles the operating lease commitments disclosed under IAS 17, to the lease liability disclosed under IFRS 16.

The company used the following practical expedients available when applying IFRS 16 for the first time:

- The application of a single discount rate to a portfolio of leases with similar characteristics, for example based on term length and type of lease.
- Reliance on previous assessments of whether a contract is, or contains a lease.
- Exemptions available for low-value and short-term leases.
- Reliance on previous assessments of whether leases are onerous.

Going concern

Since the balance sheet date, the COVID-19 pandemic has spread across the world. This is considered a non-adjusting post-balance sheet event and the impact of COVID-19, such as any impairment considerations, will be reported in the 2020 financial statements.

The COVID-19 pandemic has had, at the time of approving these financial statements, relatively little impact on the company. The demand for the company's products and services has increased, highlighting the importance of the Life Science industry in which the company plays an important part, but there has been some delay in order fulfilment, as indicated below and accordingly the forecast for the coming periods covering at least 12 months from approval of the financial statements, has been adjusted to reflect the directors' current expectations of the impact on results for future periods.

Whilst there have been restrictions on staff movements, the business has encountered a slowdown in fulfilling customers orders in the first half of 2020 due to the intrinsic nature of business involving necessity of direct customer interaction and product installation. As a result, realization of customers orders has been partly delayed in the first and second quarter of the year. During the second half of the year 2020, the company experiences a strong rebound of business and backlog reduced to pre-pandemic levels.

The company is part of the Danaher UK group cash pool arrangement. All members of the cash pool have entered into unlimited cross guarantees in respect of bank borrowing based on cash balances within the cash pool accounts.

The directors continue to monitor the impact of the pandemic on the business as more information about it emerges, with particular focus on the potential impact of staff shortages and operating delays. At the time of signing, the directors do not consider COVID-19 to impact the company's ability to continue as a going concern and consider the balance sheet to be appropriately valued.

MOLECULAR DEVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (Continued)

Uncertainty as to the length of the pandemic and the related measures to combat it mean that the full impact cannot yet be known but the directors are confident that they have put in place measures to ensure the impact is mitigated as much as possible, with protection of staff, continuity of supply chain, continued service delivery to customers and ongoing productivity is maintained.

Revenue

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.

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

Intangible assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Distribution rights are amortised on a straight line basis over their estimated useful life of 20 years.

Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	over life of lease
Computer, office furniture and equipment	3 to 5 years
Right-of-use assets	over life of lease

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

Impairment of tangible and intangible assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

MOLECULAR DEVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Investments

Investments have been valued in accordance with IAS 27 at cost less provision for impairment. Where an investment is not directly in an associate or subsidiary of the company, but the investment is in an entity that is ultimately a subsidiary of Danaher Corporation, then the directors have deemed this to fall under the requirements of IAS 27.

Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost 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.

Inventories held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

Financial assets held at amortised cost

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (eg trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

MOLECULAR DEVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (Continued)

Impairment of financial assets

Financial assets, other than those measured at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Financial liabilities

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

Other financial liabilities

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

MOLECULAR DEVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (Continued)

Deferred tax

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probably that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event and it is probable that the company will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Leases

The company's lease commitments relate to property and plant and machinery leases. Leases are typically negotiated on an individual basis and thus contain a wide range of terms and conditions, including options to extend or terminate. The lease liability is considered to be an indicator of the future cash outflows, there are no significant restrictions or covenants, residual value guarantees or sale and leaseback transactions. Previously, payments made under operating leases were charged to the income statement on a straight-line basis over the period of the lease.

From 1 January 2019, the company assesses at the contract inception whether a contract is, or contains, a lease. The company initially recognises a right-of-use asset and a corresponding liability at the date at which the leased asset is available.

MOLECULAR DEVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (Continued)

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets is equal to the aggregate lease liabilities recognised on day one, adjusted for any initial direct costs incurred, any lease incentives received and any lease payments made at or before the commencement date. Right-of-use assets are depreciated on a straight line basis over the lease term. Right of use assets are tested for impairment at each year end.

At the commencement date of the lease, the company recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted at the incremental borrowing rate. The lease payments include fixed payments less any lease incentives received and amounts expected to be paid under residual value guarantees. In calculating the present value of the lease payments, the company uses its incremental borrowing rate at the lease commencement date as the interest rate implicit in the lease is not readily determinable. Following recognition, the liability is reduced for the lease payments made and increased by the interest accrued. Moreover, the carrying amount of the lease liability is re-measured in the event of a modification, such as a change in the lease term or change in the lease payments. The interest cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining liability for each period.

The company applies the short-term lease exemption to those leases that have a lease term of 12 months or less from the commencement date and also applies the exemption for leases of low value assets to office equipment. Lease payments relating to these exemptions are recognised in operating expenses on a straight line basis over the lease term. These exemptions are not applied to property leases and any short term property leases are accounted for as above.

In the comparative period, as a lessee applying IAS 17, rentals payable under operating leases, less any lease incentives received, were charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis was more representative of the time pattern in which economic benefits from the leased asset were consumed.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

MOLECULAR DEVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

2 Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Key sources of estimation uncertainty

Deferred taxation

Deferred tax liabilities and assets are assessed on the basis of assumptions regarding the future, the likelihood that assets will be realised and liabilities will be settled, and estimates as to the timing of those future events and as to the future tax rates that will be applicable.

Provisions

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

Investment impairment

Where there are indicators of impairment, management performs impairment tests based on fair value less cost to sell or value in use which includes estimates for example of market prices and the use of discount rates. Changes in these estimates can have a significant impact on the impairment assessment outcome.

Dilapidations provision

The company has provided for the expected liability existing with respect of land and buildings held under a lease by way of a dilapidations provision. The liability represents the expected costs associated with bringing the relevant property into an acceptable state agreed by both parties at the conclusion of the lease. This is reviewed annually by the directors and will be adjusted annually should estimated costs materially change. The provision at 31 December 2019 was £175,000 (2018: £175,000).

MOLECULAR DEVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

2 Critical accounting estimates and judgements (Continued)

IFRS 16

The changes to critical estimates and assumptions used by the company as a result of adopting IFRS 16, that have an effect on the reported amounts of assets and liabilities, are outlined below.

The company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease where this is reasonably certain to be exercised, or any periods covered by an option to terminate the lease where this is reasonably certain not to be exercised.

Many of the company's leases, in particular property leases, contain options for the company to extend and/or terminate the lease term. The company applies judgement in evaluating whether it is reasonably certain to exercise these options, taking account of all relevant factors that create an economic incentive for it to do so. After the lease commencement date, the company reassesses the lease term if there has been a significant event or change in circumstances that is within its control and which affects its ability to exercise (or not to exercise) the option to renew and/or to terminate (e.g. a change in business strategy).

The company uses judgements to assess whether the interest rate implicit in the lease is readily determinable. When the interest rate implicit in the lease is not readily determinable, the company estimates the incremental borrowing rate.

The company has determined that all leases of assets with an absolute value, when new, of £5,000 or less, will be classified and accounted for as 'low-value' leases.

3 Revenue

	2019 £'000	2018 £'000
Revenue analysed by class of business		
Sales of goods	25,745	14,750
Rendering of services	9,367	7,733
	<u>35,112</u>	<u>22,483</u>
	2019 £'000	2018 £'000
Revenue analysed by geographical market		
United Kingdom	11,078	6,286
Europe	23,804	16,083
Rest of World	230	114
	<u>35,112</u>	<u>22,483</u>

MOLECULAR DEVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

4 Employees

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

	2019 Number	2018 Number
Sales and distribution	31	28
Finance/IT/HR/Marketing	11	11
Applications	7	7
Service	43	33
	<u>92</u>	<u>79</u>

Their aggregate remuneration comprised:

	2019 £'000	2018 £'000
Wages and salaries	6,920	5,437
Social security costs	1,296	938
Pension costs	344	278
	<u>8,560</u>	<u>6,653</u>

The services to the company from the directors are of a non-executive nature and their emoluments are deemed to be wholly attributable to qualifying services to other group companies. Accordingly, the financial statements include no emoluments in respect of the directors (2018: £Nil).

5 Operating profit

	2019 £'000	2018 £'000
Operating profit for the year is stated after charging:		
Exchange losses	167	43
Fees payable to the company's auditor for the audit of the company's financial statements	42	38
Depreciation of property, plant and equipment	1,025	288
Amortisation of intangible assets	38	38
Operating lease rentals under IAS 17:		
- Land and buildings	-	168
- Other operating lease	-	178
	<u></u>	<u></u>

6 Investment income

	2019 £'000	2018 £'000
Interest income		
Interest on bank deposits	-	48
	<u></u>	<u></u>

MOLECULAR DEVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

7 Finance costs

	2019 £'000	2018 £'000
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	465	51
Interest on other financial liabilities:		
Interest on lease liabilities	7	-
Total interest expense	472	51

8 Taxation

	2019 £'000	2018 £'000
Current tax		
UK corporation tax on profits for the current period	23	-
Other tax reliefs	(23)	-
Total UK current tax	-	-
Foreign taxes and reliefs	33	27
Foreign tax adjustment in respect of prior periods	3	5
	36	32
Deferred tax		
Origination and reversal of temporary differences	13	58
Total tax charge	49	90

The total tax charge for the year included in the income statement can be reconciled to the (loss)/profit before tax multiplied by the standard rate of tax as follows:

	2019 £'000	2018 £'000
(Loss)/profit before taxation	(245)	665
Expected tax (credit)/charge based on a corporation tax rate of 19.00% (2018: 19.00%)	(47)	126
Effect of expenses not deductible in determining taxable profit	85	-
Income not taxable	-	(20)
Adjustment in respect of prior years	3	-
Effect of change in UK corporation tax rate	(2)	29
Group relief	-	(45)
Effect of overseas tax rates	10	-
Taxation charge for the year	49	90

MOLECULAR DEVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

8 Taxation (Continued)

Finance Act 2016 included provisions to reduce the UK corporation tax rate to 17% from 1 April 2020. The Government announced in the Budget on 11 March 2020 it would no longer reduce the corporation tax rate to 17% and that it would remain at 19%. The change was not substantively enacted at the balance sheet date, therefore any deferred tax assets and liabilities as at 31 December 2019 have been calculated using the 17% tax rate.

9 Intangible fixed assets

	Intellectual property £'000	Distribution rights £'000	Total £'000
Cost			
At 31 December 2018	400	762	1,162
At 31 December 2019	400	762	1,162
Amortisation and impairment			
At 31 December 2018	400	559	959
Charge for the year	-	38	38
At 31 December 2019	400	597	997
Carrying amount			
At 31 December 2019	-	165	165
At 31 December 2018	-	203	203

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

There are no indicators of impairment of these rights based on product sales during the year and forecast.

Amortisation of intangible assets is included within administrative expenses.

10 Property, plant and equipment

	Leasehold improvements £'000	Computer, office furniture and equipment £'000	Right-of-use assets £'000	Total £'000
Cost				
At 31 December 2018	300	2,550	-	2,850
Introduction of right-of-use assets on transition to IFRS 16	-	-	642	642
At 1 January 2019	300	2,550	642	3,492
Additions	-	-	400	400
Disposals	-	(577)	-	(577)
At 31 December 2019	300	1,973	1,042	3,315

MOLECULAR DEVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

10 Property, plant and equipment

	Leasehold improvements £'000	Computer, office furniture and equipment £'000	Right-of-use assets £'000	Total £'000
Accumulated depreciation and impairment				(Continued)
At 1 January 2019	300	890	-	1,190
Charge for the year	-	664	361	1,025
Eliminated on disposal	-	(201)	-	(201)
At 31 December 2019	300	1,353	361	2,014
Carrying amount				
At 31 December 2019	-	620	681	1,301
At 31 December 2018	-	1,660	-	1,660

On 1 January 2019 the company adopted IFRS 16 Leases and reclassified the cost of leases into right-of-use assets as shown above.

11 Investments

	2019 £'000	2018 £'000
Other investments	13,243	13,243

The company has not designated any financial assets that are not classified as held for trading as financial assets at fair value through profit or loss.

Fair value of financial assets carried at amortised cost

The directors consider that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values.

The investment represents an 11% share in Beckman Holdings Limited, a holding company incorporated in England and Wales.

Movements in non-current investments

	Investments other than loans £'000
Cost or valuation	
At 1 January 2019 & 31 December 2019	13,243
Carrying amount	
At 31 December 2019	13,243
At 31 December 2018	13,243

MOLECULAR DEVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

12 Inventories	2019	2018
	£'000	£'000
Finished goods	605	612

13 Trade and other receivables	2019	2018
	£'000	£'000
Trade receivables	7,644	4,887
Other receivables	29	9
VAT recoverable	-	94
Amounts owed by fellow group undertakings	2,723	2,483
Prepayments and accrued income	337	261
	<u>10,733</u>	<u>7,734</u>

14 Trade and other payables	Current		Non-current	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Trade payables	759	186	-	-
Payments received on account	-	139	-	-
Accruals and deferred income	3,090	2,484	265	335
Corporation tax payable	-	27	-	-
Other taxation and social security	703	214	-	-
	<u>4,552</u>	<u>3,050</u>	<u>265</u>	<u>335</u>

15 Borrowings	2019	2018
	£'000	£'000
Unsecured borrowings at amortised cost		
Bank overdrafts	9,489	9,206

Analysis of borrowings

Borrowings are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2019	2018
	£'000	£'000
Current liabilities	9,489	9,206

The bank overdraft balance is in relation to a group cash pool arrangement the company has access to.

MOLECULAR DEVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

16 Lease liabilities

	£'000
At 31 December 2018	-
Change in accounting policy*	642
At 1 January 2019	642
Lease payments	(359)
Interest charged during the year	7
New leases taken out during the year	359
At 31 December 2019	649
The present value of lease liabilities by repayment date is as follows:	
	2019
	£'000
Lease liabilities are repayable:	
Within 1 year	307
In more than 1 year but less than 5 years	342
	649

*Upon adoption of IFRS 16, leases previously recognised as operating leases under IAS 17 totalling £642,000 have been recognised as lease liabilities.

The company's lease arrangements relate to 1 property lease and 39 plant and machinery leases. The leases have termination dates ranging from 2 to 46 months. The interest rates implicit in the leases were not readily determinable and the incremental borrowing rate for these leases ranges between 0.10% and 1.97% based on the length of lease and type and location of the leased asset. The weighted average incremental borrowing rate is 0.97%.

MOLECULAR DEVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

17 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

	Fixed assets £'000	Short term timing differences £'000	Total £'000
Deferred tax asset at 1 January 2018	(246)	(58)	(304)
Deferred tax movements in prior year			
Credit to profit or loss	62	(4)	58
Deferred tax asset at 1 January 2019	(184)	(62)	(246)
Deferred tax movements in current year			
Credit to profit or loss	25	(12)	13
Deferred tax asset at 31 December 2019	(159)	(74)	(233)

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2019 £'000	2018 £'000
Deferred tax assets	(233)	(246)

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 of £233,000 (2018: £246,000) is due in more than one year.

MOLECULAR DEVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

18 Provisions for liabilities

2019 £'000	2018 £'000
175	175

Movements on provisions:

£'000

At 1 January 2019 and 31 December 2019

175

The provision represents the estimated cost of remedial work required on property at 660-665 Eskdale Road, Winnersh Triangle when the lease is terminated.

19 Retirement benefit schemes

Defined contribution schemes

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

The charge to profit or loss in respect of defined contribution schemes was £344,000 (2018: £278,000). There were no unpaid contributions outstanding at the year end (2018: £Nil).

20 Share capital

2019 £'000	2018 £'000
---------------	---------------

Ordinary share capital

Issued and fully paid

10,000 ordinary shares of £1 each

10

Ordinary share rights

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

Retained earnings

Retained earnings represents the cumulative profit and loss of the company, net of distributions to owners.

21 Guarantees

The company has provided for the following guarantees at 31 December 2019:

- Guarantee of £1,000,000 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.

MOLECULAR DEVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

22 Operating lease commitments

Lessee

Amounts recognised in profit or loss as an expense during the prior year in respect of lease arrangements under IAS 17 were as follows:

	2018 £'000
Minimum lease payments under operating leases	346

Set out below are the future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities:

Land and buildings	2018 £'000
Within one year	168
Between one and five years	126
	<u>294</u>

Operating leases apart from land and buildings	2018 £'000
Within one year	148
Between one and five years	165
	<u>313</u>

No operating lease commitments are disclosed for 31 December 2019. The equivalent information is disclosed within note 16 in accordance with IFRS 16.

23 Events after the reporting date

Since the balance sheet date, the COVID-19 pandemic has spread across the world. This is considered a non-adjusting post-balance sheet event and the impact of COVID-19, such as any impairment considerations, will be reported in the 2020 financial statements.

Uncertainty as to the length of the pandemic and the related measures to combat it mean that the full impact cannot yet be known but the directors are confident that they have put in place measures to ensure the impact is mitigated as much as possible, with protection of staff, continuity of supply chain, continued service delivery to customers and maintenance of ongoing productivity.

MOLECULAR DEVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

24 Related party transactions

The company has taken advantage of the exemptions provided by Section 8 of FRS 101 'Related Party Disclosures' and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group.

25 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, D.C. 20037, USA.

26 Impact of transition to IFRS 16

Reconciliation of lease liability

	£'000
Lease commitments disclosed under IAS 17 at 31 December 2018	607
Impact of discounting at weighted average rate of 0.97%	(9)
Additional lease term assessment	44
Lease liability recognised at 1 January 2019	642
Of which:	
Current lease liabilities	359
Non-current lease liabilities	283

The lease payments committed to under IAS 17 related to a period which was shorter than the reasonably certain lease term determined in accordance with IFRS 16, which has resulted in a larger lease liability being recognised on initial recognition.

The associated right-of-use assets for all leases were measured at an amount equal to the lease liability, adjusted by any prepaid (or accrued) lease payments. The recognised right-of-use assets at 1 January 2019 relate to the following types of assets:

Properties	1
Plant and machinery	38
Total right-of-use assets recognised at 1 January 2019	39

MOLECULAR DEVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

26 Impact of transition to IFRS 16 (Continued)

The change in accounting policy affected the following items in the balance sheet on 1 January 2019:

	As previously reported £'000	Impact of IFRS 16 £'000	As restated £'000
Non-current assets			
Right-of-use assets	-	642	642
All other assets	24,218	-	24,218
Total impact on assets	<u>24,218</u>	<u>642</u>	<u>24,860</u>
Non-current liabilities			
Lease liabilities	-	(283)	(283)
Current liabilities			
Lease liabilities	-	(359)	(359)
All other liabilities	(12,766)	-	(12,766)
Total impact on liabilities	<u>(12,766)</u>	<u>(642)</u>	<u>(13,408)</u>
Equity			
Total equity	(11,452)	-	(11,452)
Total impact on equity and liabilities	<u>(24,218)</u>	<u>(642)</u>	<u>(24,860)</u>

The impact on the income statement for the year ended 31 December 2019 was as follows:

	2019 £'000
Operating expenses	405
Earnings before interest, tax, depreciation, amortisation, impairment and contingent consideration	<u>405</u>
Depreciation	(361)
Operating profit	<u>44</u>
Interest	(7)
Impact on profit before tax	<u>37</u>