

**MOLECULAR DEVICES (UK) LIMITED**  
**ANNUAL REPORT AND FINANCIAL**  
**STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2021**



# **MOLECULAR DEVICES (UK) LIMITED**

## **COMPANY INFORMATION**

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**Directors**

J Battle  
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**

Bank of America, N.A.  
2 King Edward Street  
London  
EC1A 1HQ

HSBC Bank Plc  
8 Canada Square  
London  
E14 5HQ

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# MOLECULAR DEVICES (UK) LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

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The directors present their Strategic Report for the year ended 31 December 2021.

#### 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:

	2021	2020	Variance	Variance
	£'000	£'000	£'000	%
Revenue	35,339	29,272	6,067	20.7%
Operating profit	1,636	642	994	154.8%

During 2021 total revenue increased by £6,067k (20.7%). This increase was driven by organic growth, mainly by strong demand for instruments.

The outlook for 2022 is forecast to be positive. However, due to further Covid lockdowns in China so far in 2022, the ability to be able to ship instruments has been delayed. It is planned that there will be a catch up on deliveries in the second half of 2022 assuming there are no further restrictions affecting the supply and transportation of instruments.

#### 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 14 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 is part of a group cash pooling arrangement which mitigates 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)**

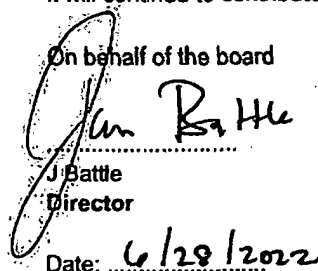
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **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

  
J Battle  
Director

Date: 6/28/2022

# **MOLECULAR DEVICES (UK) LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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The directors present their annual report and financial statements for the year ended 31 December 2021.

#### **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 9.

Ordinary dividends were paid amounting to £15,000,000 (2020: £Nil). The directors do not recommend the 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:

J Battle

(Appointed 20 May 2022)

S W Murphy

H Qian

#### **Going concern**

The COVID-19 pandemic has had during this financial year a relatively little impact on the company. The demand for the company's products and services has increased, highlighting the importance of the Life Sciences industry in which the company plays an important part. The Drug Discovery product range is performing very well for order intake but revenue execution takes longer due to customisation and lead times. The impact has been reflected in the forecast for the period to 31 December 2023 (the going concern assessment period).

Whilst there have been restrictions on staff movements, the business has adjusted to the different work environment.

The company is part of the Danaher UK group cash pool arrangement. All members of the cash pool have entered into unlimited guarantees in respect of bank borrowing with fellow participating companies.

The company is trading profitably, with positive cash flow and a strong balance sheet throughout the assessment period. Also, the cash position of the UK Group as a whole is strong and therefore the company has access to sufficient operating funds as necessary.

After making due enquiries and considering the impact of COVID-19 and the access to funds, potential downside scenarios, cross guarantees with fellow members of the UK Group cash pool and strength of the ultimate parent undertaking, Danaher Corporation, the directors have a reasonable expectation that the company has adequate resources to continue in operation during the assessment period to 31 December 2023. Accordingly the financial statements have been prepared on a going concern basis.

#### **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.

# **MOLECULAR DEVICES (UK) LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

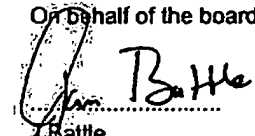
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **Strategic report**

The company has chosen in accordance with the Companies Act 2006, s.414C(11) to set out in the company's Strategic Report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the Directors' Report. It has done so in respect of the future developments and financial and operational risk management objectives and policies of the company.

On behalf of the board

  
J. Battle  
Director  
Date: 6/28/2022

# **MOLECULAR DEVICES (UK) LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021**

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The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable United Kingdom 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 company 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 profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 101 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company financial position and financial performance;
- in respect of the company financial statements, 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.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report and directors' report, that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

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

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## **Opinion**

We have audited the financial statements of Molecular Devices (UK) Limited for the year ended 31 December 2021 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes 1 to 24, 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 2021 and of its profit 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.

## **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period to 31 December 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

## **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 contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 course of 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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the 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)**

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## **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.

## ***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice), the Companies Act 2006, and United Kingdom direct and indirect tax regulations. In addition, the company must comply with operational and employment laws and regulations including health and safety regulations, environmental regulations, Competition Law, anti-bribery and corruption regulations and General Data Protection Requirements.
- We understood how the company is complying with those frameworks by holding enquiries with management and those charged with governance. We understood the potential incentive and ability to override controls, and employee access to guidance of how to report any instances of non-compliance. We understood any controls put in place by wider group management to reduce the opportunities for fraudulent transactions.

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

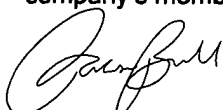
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- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by obtaining and reading group policies and holding enquiries of management and those charged with governance. Through these procedures we considered revenue recognition around the balance sheet date as the key area of focus. We addressed this risk through sales trend analysis in the two weeks preceding and two weeks following the balance sheet date. Where unusual patterns were noted, the underlying transaction detail was obtained and vouched to supporting evidence to corroborate appropriate revenue cut-off.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved:
  - Enquiry of management and those charged with governance as to any fraud identified or suspected in the period, any actual or potential litigation or claims or breaches of significant laws or regulations applicable to the company;
  - Auditing the risk of management override of controls, through testing of a sample of journal entries and other adjustments for appropriateness;
  - Enquiry of management, coupled with testing of journal entries, in order to identify and understand any significant transactions outside the normal course of business;
  - Challenging the judgements made by management through corroborating the basis for those judgements and considering contradicting evidence; and
  - Reading financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://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  
Luton

29 June 2022  
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# **MOLECULAR DEVICES (UK) LIMITED**

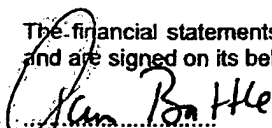
## **STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £'000	2020 £'000
Revenue	3	35,339	29,272
Cost of sales		(24,595)	(21,287)
Gross profit		10,744	7,985
Distribution costs		(8,029)	(6,528)
Administrative expenses		(1,079)	(815)
Operating profit	5	1,636	642
Finance costs	6	(32)	(361)
Other gains and losses	7	4,548	4,200
Profit before taxation		6,152	4,481
Tax on profit	8	(82)	68
Profit and total comprehensive income for the financial year		6,070	4,549

**MOLECULAR DEVICES (UK) LIMITED****STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2021**

		2021 £'000	2020 £'000
	Notes		
<b>Non-current assets</b>			
Intangible assets	10	100	127
Property, plant and equipment	11	1,543	1,690
Investments	12	-	13,243
Deferred tax asset	18	290	332
		<u>1,933</u>	<u>15,392</u>
<b>Current assets</b>			
Inventories	13	319	1,063
Trade and other receivables	14	11,932	9,134
Cash and cash equivalents		961	-
		<u>13,212</u>	<u>10,197</u>
<b>Current liabilities</b>			
Trade and other payables	15	10,653	5,833
Borrowings	16	-	2,254
Current tax liabilities		3	4
Lease liabilities	17	303	412
		<u>10,959</u>	<u>8,503</u>
<b>Net current assets</b>		<u>2,253</u>	<u>1,694</u>
<b>Total assets less current liabilities</b>		<u>4,186</u>	<u>17,086</u>
<b>Non-current liabilities</b>			
Trade and other payables	15	441	341
Lease liabilities	17	658	948
Other provisions	19	124	90
		<u>1,223</u>	<u>1,379</u>
<b>Net assets</b>		<u>2,963</u>	<u>15,707</u>
<b>Equity</b>			
Called up share capital	21	8	10
Capital redemption reserve		2	-
Retained earnings		2,953	15,697
<b>Total equity</b>		<u>2,963</u>	<u>15,707</u>

The financial statements were approved by the board of directors and authorised for issue on 6/28/2022  
and are signed on its behalf by:

  
J. Battie, Director

# MOLECULAR DEVICES (UK) LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Share capital £'000	Capital redemption reserve £'000	Retained earnings £'000	Total equity £'000
<b>Balance at 1 January 2020</b>		10	-	11,148	11,158
<b>Year ended 31 December 2020:</b>					
Profit and total comprehensive income for the year		-	-	4,549	4,549
<b>Balance at 31 December 2020</b>		10	-	15,697	15,707
<b>Year ended 31 December 2021:</b>					
Profit and total comprehensive income for the year		-	-	6,070	6,070
<i>Transactions with owners in their capacity as owners:</i>					
Dividends	9	-	-	(15,000)	(15,000)
Redemption of shares	21	(2)	2	(3,814)	(3,814)
<b>Balance at 31 December 2021</b>		8	2	2,953	2,963

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 2021**

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### **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 UK-adopted International Accounting Standards in conformity with the Companies Act 2006 ("IFRS").

#### **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](https://investors.danaher.com/annual-report-and-proxy).

# MOLECULAR DEVICES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Accounting policies (Continued)

##### Going concern

The COVID-19 pandemic has had during this financial year a relatively little impact on the company. The demand for the company's products and services has increased, highlighting the importance of the Life Sciences industry in which the company plays an important part. The Drug Discovery product range is performing very well for order intake but revenue execution takes longer due to customisation and lead times. The impact has been reflected in the forecast for the period to 31 December 2023 (the going concern assessment period).

Whilst there have been restrictions on staff movements, the business has adjusted to the different work environment.

The company is part of the Danaher UK group cash pool arrangement. All members of the cash pool have entered into unlimited guarantees in respect of bank borrowing with fellow participating companies.

The company is trading profitably, with positive cash flow and a strong balance sheet throughout the assessment period. Also, the cash position of the UK Group as a whole is strong and therefore the company has access to sufficient operating funds as necessary.

After making due enquiries and considering the impact of COVID-19 and the access to funds, potential downside scenarios, cross guarantees with fellow members of the UK Group cash pool and strength of the ultimate parent undertaking, Danaher Corporation, the directors have a reasonable expectation that the company has adequate resources to continue in operation during the assessment period to 31 December 2023. Accordingly the financial statements have been prepared on a going concern basis.

##### 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

# **MOLECULAR DEVICES (UK) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **1 Accounting policies (Continued)**

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 property, plant and equipment and intangible assets**

At each reporting end date, the company reviews the carrying amounts of its property, plant and equipment 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.

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 recognised 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.



# MOLECULAR DEVICES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Accounting policies (Continued)

##### **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.

##### ***Impairment of financial assets***

An impairment loss is recognised for the expected credit losses on financial assets when there is an increased probability that the counterparty will be unable to settle an instrument's contractual cash flows on the contractual due dates, a reduction in the amounts expected to be recovered, or both.

The probability of default and expected amounts recoverable are assessed using reasonable and supportable past and forward-looking information that is available without undue cost or effort. The expected credit loss is a probability-weighted amount determined from a range of outcomes and takes into account the time value of money.

##### ***Trade receivables***

For trade receivables, the simplified approach is used for expected credit losses as there is no significant financing component. The lifetime expected credit losses are measured by applying an expected loss rate to the gross carrying amount. The expected loss rate comprises the risk of a default occurring and the expected cash flows on default based on the aging of the receivable. The risk of a default occurring always takes into consideration all possible default events over the expected life of those receivables ("the lifetime expected credit losses"). Different provision rates and periods are used based on groupings of historic credit loss experience by product type, customer type and location.

##### ***Impairment of other receivables measured at amortised cost***

The measurement of impairment losses depends on whether the financial asset is 'performing', 'underperforming' or 'non-performing' based on the company's assessment of increases in the credit risk of the financial asset since its initial recognition and any events that have occurred before the year-end which have a detrimental impact on cash flows. The financial asset moves from 'performing' to 'underperforming' when the increase in credit risk since initial recognition becomes significant.

In assessing whether credit risk has increased significantly, the company compares the risk of default at the year-end with the risk of a default when the investment was originally recognised using reasonable and supportable past and forward-looking information that is available without undue cost. The risk of a default occurring takes into consideration default events that are possible within 12 months of the year end ("the 12-month expected credit losses") for 'performing' financial assets, and all possible default events over the expected life of those receivables ("the lifetime expected credit losses") for 'underperforming' financial assets.

Impairment losses and any subsequent reversals of impairment losses, are adjusted against the carrying amount of the receivable and are recognised in profit or loss.

# **MOLECULAR DEVICES (UK) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **1 Accounting policies (Continued)**

#### ***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.

#### ***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.

# **MOLECULAR DEVICES (UK) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **1 Accounting policies (Continued)**

#### **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.

The company initially recognises a right-of-use asset and a corresponding liability at the date at which the leased asset is available.

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.

# **MOLECULAR DEVICES (UK) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **1 Accounting policies (Continued)**

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.

#### **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.

### **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 trade receivable and inventory balances based on past losses, current trading patterns and anticipated future events. The company estimates the recoverable value of trade receivables. When assessing any impairment, management considers factors including the credit rating of customers and the aging profile of receivables to determine the expected credit losses. See note 14 for the net carrying amounts of trade receivables and associated impairment provision.

##### **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.

# MOLECULAR DEVICES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 2 Critical accounting estimates and judgements (Continued)

#### 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 2021 was £124,000 (2020: £90,000).

#### Right-of-use assets and lease liabilities

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

	2021 £'000	2020 £'000
<b>Revenue analysed by class of business</b>		
Sales of goods	26,026	20,007
Rendering of services	9,313	9,265
	<u>35,339</u>	<u>29,272</u>
	<u><u>35,339</u></u>	<u><u>29,272</u></u>
	2021 £'000	2020 £'000
<b>Revenue analysed by geographical market</b>		
United Kingdom	8,595	8,504
Europe	26,392	20,596
Rest of World	352	172
	<u>35,339</u>	<u>29,272</u>
	<u><u>35,339</u></u>	<u><u>29,272</u></u>

# MOLECULAR DEVICES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 4 Employees

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

	2021 Number	2020 Number
Sales and distribution	35	32
Finance/IT/HR/Marketing	10	13
Applications	7	8
Service	37	38
	<u>89</u>	<u>91</u>

Their aggregate remuneration comprised:

	2021 £'000	2020 £'000
Wages and salaries	6,920	6,775
Social security costs	911	1,379
Pension costs	359	319
	<u>8,190</u>	<u>8,473</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 (2020: £Nil).

### 5 Operating profit

	2021 £'000	2020 £'000
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	257	(434)
Fees payable to the company's auditor for the audit of the company's financial statements	50	42
Depreciation of property, plant and equipment	643	609
Amortisation of intangible assets	27	38
	<u></u>	<u></u>

# MOLECULAR DEVICES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 6 Finance costs

	2021 £'000	2020 £'000
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	19	347
<b>Interest on other financial liabilities:</b>		
Interest on lease liabilities	13	14
Total interest expense	<u>32</u>	<u>361</u>

### 7 Other gains and losses

	2021 £'000	2020 £'000
Gain on disposal of fixed asset investments	4,548	-
Other gains and losses	-	4,200
	<u>4,548</u>	<u>4,200</u>

In the prior year, the company divested the Forte Bio division to a third party. Gross proceeds were £4.2m and accordingly a gain of £4.2m was recognised in profit or loss. The Forte Bio division does not represent a separate major line of business and therefore has not been classified as a discontinued operation.

In the current year, the investment held in Beckman Holdings Limited was disposed of for proceeds of £17.8m, realising a gain of £4.5m.

# MOLECULAR DEVICES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 8 Taxation

	2021 £'000	2020 £'000
<b>Current tax</b>		
UK corporation tax on profits for the current period	26	36
Double tax relief	(26)	(36)
	<u>-</u>	<u>-</u>
Total UK current tax	-	-
Foreign taxes and reliefs	40	32
Foreign tax adjustments in respect of prior periods	-	(1)
	<u>-</u>	<u>(1)</u>
Total current tax	<u>40</u>	<u>31</u>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	(65)	(99)
Adjustment in respect of prior periods	107	-
	<u>42</u>	<u>(99)</u>
Total tax charge/(credit)	<u>82</u>	<u>(68)</u>

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

	2021 £'000	2020 £'000
Profit before taxation	<u>6,152</u>	<u>4,481</u>
Expected tax charge based on a corporation tax rate of 19.00% (2020: 19.00%)	1,169	851
Adjustment in respect of prior years	-	(1)
Effect of change in UK corporation tax rate	(70)	(27)
Group relief	(316)	(906)
Effect of overseas tax rates	14	(4)
Deferred tax adjustments in respect of prior years	107	-
Effect of (income)/expenses not chargeable/(deductible) for tax purposes	(822)	19
Taxation charge/(credit) for the year	<u>82</u>	<u>(68)</u>

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). The Spring budget 2021 was substantively enacted on 24 May 2021. 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 taxes at the balance sheet date have been measured using the enacted tax rate of 25% and reflected in these financial statements.



# MOLECULAR DEVICES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

9	Dividends	2021 per share	2020 per share	2021 £'000	2020 £'000
	Amounts recognised as distributions to equity holders:				
	Interim dividend paid	1,500.00	-	15,000	-

10	Intangible fixed assets	Intellectual property £'000	Distribution rights £'000	Total £'000
	<b>Cost</b>			
	At 31 December 2020	400	762	1,162
	At 31 December 2021	400	762	1,162
	<b>Amortisation and impairment</b>			
	At 31 December 2020	400	635	1,035
	Charge for the year	-	27	27
	At 31 December 2021	400	662	1,062
	<b>Carrying amount</b>			
	At 31 December 2021	-	100	100
	At 31 December 2020	-	127	127

The intangible assets 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.

# MOLECULAR DEVICES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 11 Property, plant and equipment

	Leasehold improvements	Computer, office furniture and equipment	Right-of-use assets	Total
	£'000	£'000	£'000	£'000
<b>Cost</b>				
At 31 December 2020	300	726	1,781	2,807
Additions	-	524	92	616
Disposals	-	(177)	(33)	(210)
At 31 December 2021	300	1,073	1,840	3,213
<b>Accumulated depreciation and impairment</b>				
At 31 December 2020	300	353	464	1,117
Charge for the year	-	274	369	643
Eliminated on disposal	-	(66)	(33)	(99)
Adjustment to depreciation	-	-	9	9
At 31 December 2021	300	561	809	1,670
<b>Carrying amount</b>				
At 31 December 2021	-	512	1,031	1,543
At 31 December 2020	-	373	1,317	1,690

The adjustments within fixed assets relates to a recalculation of the IFRS 16 right-of-use assets and lease liabilities at the year end.

Property, plant and equipment includes right-of-use assets, as follows:

	2021 £'000	2020 £'000
<b>Right-of-use assets</b>		
<b>Carrying amount</b>		
Property	689	793
Motor vehicles	342	524
	1,031	1,317
<b>Depreciation charge for the year</b>		
Property	187	165
Motor vehicles	182	228
	369	393

# MOLECULAR DEVICES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 12 Investments

	2021 £'000	2020 £'000
Other investments	-	13,243

In the prior year, the investment represented an 11% share in Beckman Holdings Limited, a holding company incorporated in England and Wales. This investment was disposed of during the current year for proceeds of £17.8m. A gain of £4.5m has been recognised in profit or loss (see note 7).

#### Movements in non-current investments

	Investments other than loans £'000
Cost or valuation	
At 1 January 2021	13,243
Disposals	(13,243)
At 31 December 2021	-
Carrying amount	
At 31 December 2021	-
At 31 December 2020	13,243

### 13 Inventories

	2021 £'000	2020 £'000
Finished goods	319	1,063

### 14 Trade and other receivables

	2021 £'000	2020 £'000
Trade receivables	7,676	6,225
Other receivables	812	480
VAT recoverable	431	-
Amounts owed by fellow group undertakings	2,724	2,345
Prepayments and accrued income	289	84
	11,932	9,134

Trade receivables are stated after allowances for expected credit losses of £104,000 (2020: £Nil). The fair value of the company's trade and other receivables is the same as their book value stated above.

Amounts due from fellow group undertakings are unsecured, interest free and repayable on demand.

# MOLECULAR DEVICES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 15 Trade and other payables

	Current		Non-current	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Trade payables	587	871	-	-
Payments received on account	544	-	-	-
Amounts owed to fellow group undertakings	2,592	-	-	-
Accruals and deferred income	6,517	4,455	441	341
Other taxation and social security	215	507	-	-
Other payables	198	-	-	-
	<u>10,653</u>	<u>5,833</u>	<u>441</u>	<u>341</u>

The amounts owed to fellow group undertakings are unsecured, interest free, and repayable on demand.

### 16 Borrowings

	2021	2020
	£'000	£'000
Unsecured borrowings at amortised cost		
Bank overdrafts	-	2,254
	<u>-</u>	<u>2,254</u>

#### 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:

	2021	2020
	£'000	£'000
Current liabilities	-	2,254
	<u>-</u>	<u>2,254</u>

The bank overdraft balance in the prior year was 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 2021

### 17 Lease liabilities

£'000

At 1 January 2021	1,360
Lease payments	(394)
Interest charged during the year	13
Adjustment	(18)
At 31 December 2021	<u>961</u>

The present value of lease liabilities by repayment date is as follows:

	2021 £'000	2020 £'000
Lease liabilities are repayable:		
Within 1 year	303	412
In more than 1 year but less than 5 years	658	948
	<u>961</u>	<u>1,360</u>

The company's lease arrangements relate to 1 property lease and 34 plant and machinery leases. The leases have termination dates ranging from 2 to 44 months. The interest rates implicit in the leases were not readily determinable. The incremental borrowing rate for the leases depend on the length of leases as well as the type and location of the leased asset. The weighted-average incremental borrowing rate for leases is 1.64%

The adjustment above relates to a recalculation of the IFRS 16 right-of-use assets and lease liabilities at the year end.

# MOLECULAR DEVICES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 18 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 2020	(159)	(74)	(233)
<b>Deferred tax movements in prior year</b>			
Credit to profit or loss	(112)	13	(99)
Deferred tax asset at 1 January 2021	(271)	(61)	(332)
<b>Deferred tax movements in current year</b>			
Credit to profit or loss	69	(27)	42
Deferred tax asset at 31 December 2021	(202)	(88)	(290)

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:

	2021 £'000	2020 £'000
Deferred tax assets	(290)	(332)

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 £290,000 (2020: £332,000) is due in more than one year.

# MOLECULAR DEVICES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 19 Provisions for liabilities

	2021 £'000	2020 £'000
Dilapidations provision	124	90

#### Movements on provisions:

#### Dilapidations provision

	£'000
At 1 January 2021	90
Additional provisions in the year	34
At 31 December 2021	124

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

### 20 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 £359,000 (2020: £319,000). There were no unpaid contributions outstanding at the year end (2020: £Nil).

### 21 Share capital

	2021 £'000	2020 £'000
<b>Ordinary share capital</b>		
<b><i>Issued and fully paid</i></b>		
8,487 (2020: 10,000) ordinary shares of £1 each	8	10

During the year, 1,513 shares with a nominal value of £1 were repurchased and subsequently cancelled by the company.

#### *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.

# **MOLECULAR DEVICES (UK) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **22 Guarantees**

The company has provided for the following guarantees at 31 December 2021:

- 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.

### **23 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.

### **24 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.