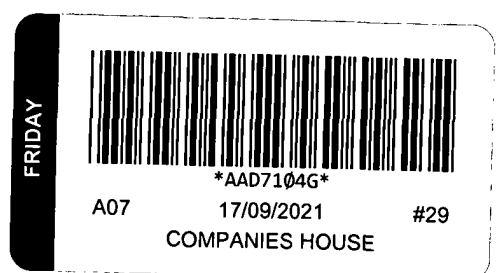


**Company Registration No. 02807736 (England and Wales)**

**MOLECULAR DEVICES (UK) LIMITED**  
**ANNUAL REPORT AND FINANCIAL**  
**STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2020**



# **MOLECULAR DEVICES (UK) LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	S W Murphy H Qian
<b>Company number</b>	02807736
<b>Registered office</b>	660-665 Eskdale Road Winnersh Triangle Wokingham Berkshire RG41 5TS
<b>Auditor</b>	Ernst & Young LLP 400 Capability Green Luton LU1 3LU
<b>Bankers</b>	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 2020

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The directors present their Strategic Report and Directors' Report for the year ended 31 December 2020.

#### 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:

	2020	2019	Variance	Variance
	£'000	£'000	£'000	%
Revenue	29,272	35,112	(5,840)	(16.6%)
Operating profit	642	227	415	183%

During 2020 total revenue decreased by £5,840,000 (16.6%). This reduction was driven mainly by a £4.8M fall in instrument sales (a decrease of 28%). This was a result of the divestiture of Forte Bio in April 2020 which was sold to Sartorius UK Limited. The disposal of these product lines resulted in a non-operating profit gain of £4.2m.

The outlook for 2021 is much more positive with estimated double digit organic revenue growth. This is being driven by a healthy order intake for Drug Discovery instruments following increased COVID-19 research activity.

#### 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 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 2020**

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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



H Qian  
Director

Date: Sept 10th, 2021

# **MOLECULAR DEVICES (UK) LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2020**

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The directors present their annual report and financial statements for the year ended 31 December 2020.

#### **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.

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  
S W Murphy  
H Qian

(Resigned 30 June 2020)

#### **Post reporting date events**

On 6 August 2021, 1,513 ordinary shares with a nominal value of £1 were cancelled.

#### **COVID-19 and 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 customization and lead times. The impact has been reflected in the forecast for the period to 31 December 2022 (the going concern assessment period).

Whilst there have been restrictions on staff movements, the business has adjusted to the different work environment and are definitely seeing the tail end of the pandemic in terms of impact on the business.

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 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 2022. 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.

# **MOLECULAR DEVICES (UK) LIMITED**

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

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **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



H Qian  
Director

Date: Sept 10th, 2021

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# **MOLECULAR DEVICES (UK) LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020**

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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 2020 which comprise the income statement, 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 2020 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 2022, 15 months from when the financial statements are authorised for issue.

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

15 September 2021

# MOLECULAR DEVICES (UK) LIMITED

## INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £'000	2019 £'000
Revenue	3	29,272	35,112
Cost of sales		(21,287)	(25,234)
<b>Gross profit</b>		<b>7,985</b>	<b>9,878</b>
Distribution costs		(6,528)	(8,764)
Administrative expenses		(815)	(887)
<b>Operating profit</b>	<b>5</b>	<b>642</b>	<b>227</b>
Finance costs	6	(361)	(472)
Other gains and losses	7	4,200	-
<b>Profit/(loss) before taxation</b>		<b>4,481</b>	<b>(245)</b>
Tax on profit/(loss)	8	68	(49)
<b>Profit/(loss) and total comprehensive income/ (expense) for the financial year</b>		<b>4,549</b>	<b>(294)</b>

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

**MOLECULAR DEVICES (UK) LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2020**

	Notes	2020 £'000	2019 £'000
<b>Non-current assets</b>			
Intangible assets	9	127	165
Property, plant and equipment	10	1,690	1,301
Investments	11	13,243	13,243
Deferred tax asset	17	332	233
		<u>15,392</u>	<u>14,942</u>
<b>Current assets</b>			
Inventories	12	1,063	605
Trade and other receivables	13	9,134	10,733
Current tax recoverable		-	8
		<u>10,197</u>	<u>11,346</u>
<b>Current liabilities</b>			
Borrowings	15	2,254	9,489
Trade and other payables	14	5,833	4,552
Current tax liabilities		4	-
Lease liabilities	16	412	307
		<u>8,503</u>	<u>14,348</u>
<b>Net current assets/(liabilities)</b>		<u>1,694</u>	<u>(3,002)</u>
<b>Total assets less current liabilities</b>		<u>17,086</u>	<u>11,940</u>
<b>Non-current liabilities</b>			
Trade and other payables	14	341	265
Lease liabilities	16	948	342
		<u>1,289</u>	<u>607</u>
<b>Provisions</b>			
Other provisions	18	90	175
<b>Net assets</b>		<u>15,707</u>	<u>11,158</u>
<b>Equity</b>			
Called up share capital	20	10	10
Retained earnings		15,697	11,148
<b>Total equity</b>		<u>15,707</u>	<u>11,158</u>

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

..... *Hao Qian* Sept 10th, 2021  
H Qian, Director

# **MOLECULAR DEVICES (UK) LIMITED**

## **STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020**

	<b>Share capital £'000</b>	<b>Retained earnings £'000</b>	<b>Total equity £'000</b>
<b>Balance at 1 January 2019</b>	10	11,442	11,452
<b>Year ended 31 December 2019:</b>			
Loss and total comprehensive expense for the year	-	(294)	(294)
<b>Balance at 31 December 2019</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

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 2020**

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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 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 2020

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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 customization and lead times. The impact has been reflected in the forecast for the period to 31 December 2022 (the going concern assessment period).

Whilst there have been restrictions on staff movements, the business has adjusted to the different work environment and are definitely seeing the tail end of the pandemic in terms of impact on the business.

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 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 2022. 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 2020

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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 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.



# MOLECULAR DEVICES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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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 2020

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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.

# MOLECULAR DEVICES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 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 probable 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.

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.

# MOLECULAR DEVICES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies (Continued)

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.

#### 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.

# **MOLECULAR DEVICES (UK) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2020**

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

##### **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 13 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.

##### **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 2020 was £90,000 (2019: £175,000).

##### **IFRS 16**

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.

# MOLECULAR DEVICES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 3 Revenue

	2020 £'000	2019 £'000
<b>Revenue analysed by class of business</b>		
Sales of goods	20,007	25,745
Rendering of services	9,265	9,367
	<u>29,272</u>	<u>35,112</u>
<b>Revenue analysed by geographical market</b>		
United Kingdom	8,504	11,078
Europe	20,596	23,804
Rest of World	172	230
	<u>29,272</u>	<u>35,112</u>

#### 4 Employees

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

	2020 Number	2019 Number
Sales and distribution	32	31
Finance/IT/HR/Marketing	13	11
Applications	8	7
Service	38	43
	<u>91</u>	<u>92</u>

Their aggregate remuneration comprised:

	2020 £'000	2019 £'000
Wages and salaries	6,677	6,920
Social security costs	1,379	1,296
Pension costs	319	344
	<u>8,375</u>	<u>8,560</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 (2019: £Nil).

# MOLECULAR DEVICES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 5 Operating profit

	2020	2019
	£'000	£'000
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(434)	167
Fees payable to the company's auditor for the audit of the company's financial statements	42	42
Depreciation of property, plant and equipment	609	1,025
Amortisation of intangible assets	38	38
	<u>          </u>	<u>          </u>

#### 6 Finance costs

	2020	2019
	£'000	£'000
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	347	465
Interest on other financial liabilities:		
Interest on lease liabilities	14	7
	<u>          </u>	<u>          </u>
Total interest expense	361	472
	<u>          </u>	<u>          </u>

#### 7 Other gains and losses

	2020	2019
	£'000	£'000
Other gains and losses	4,200	-
	<u>          </u>	<u>          </u>

In April 2020, the company divested the Forte Bio division to a third party. Gross proceeds were £4.2m and accordingly a gain of £4.2m has been 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.

# MOLECULAR DEVICES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 8 Taxation

	2020 £'000	2019 £'000
<b>Current tax</b>		
UK corporation tax on profits for the current period	36	23
Double tax relief	(36)	(23)
<b>Total UK current tax</b>	-	-
<b>Foreign taxes and reliefs</b>	32	33
Foreign tax adjustments in respect of prior periods	(1)	3
<b>Total current tax</b>	31	36
<b>Deferred tax</b>		
Origination and reversal of temporary differences	(99)	13
<b>Total tax charge/(credit)</b>	(68)	49

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

	2020 £'000	2019 £'000
Profit/(loss) before taxation	4,481	(245)
Expected tax charge/(credit) based on a corporation tax rate of 19.00% (2019: 19.00%)	851	(47)
Effect of expenses not deductible in determining taxable profit	19	85
Adjustment in respect of prior years	(1)	3
Effect of change in UK corporation tax rate	(27)	(2)
Group relief	(906)	-
Effect of overseas tax rates	(4)	10
<b>Taxation (credit)/charge for the year</b>	(68)	49

In March 2020, the Finance Bill 2020 was enacted and included legislation to hold the main rate of corporation tax at 19% with effect from 1 April 2020, an increase from 17% as announced in the 2016 Finance Act. As this change was substantively enacted at the balance sheet date, deferred tax is recognised at 19% in the current period (2019: 17%).

In the March 2021 Budget, it was announced that the UK tax rate will increase to 25% from 1 April 2023. This will have a consequential effect on the company's future tax charge.



# MOLECULAR DEVICES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 9 Intangible fixed assets

	Intellectual property £'000	Distribution rights £'000	Total £'000
<b>Cost</b>			
At 31 December 2019	400	762	1,162
At 31 December 2020	400	762	1,162
<b>Amortisation and impairment</b>			
At 31 December 2019	400	597	997
Charge for the year	-	38	38
At 31 December 2020	400	635	1,035
<b>Carrying amount</b>			
At 31 December 2020	-	127	127
At 31 December 2019	-	165	165

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
<b>Cost</b>				
At 31 December 2019	300	1,973	1,042	3,315
Additions	-	551	1,069	1,620
Disposals	-	(1,798)	(330)	(2,128)
At 31 December 2020	300	726	1,781	2,807
<b>Accumulated depreciation and impairment</b>				
At 31 December 2019	300	1,353	361	2,014
Charge for the year	-	216	393	609
Eliminated on disposal	-	(1,216)	(290)	(1,506)
At 31 December 2020	300	353	464	1,117
<b>Carrying amount</b>				
At 31 December 2020	-	373	1,317	1,690
At 31 December 2019	-	620	681	1,301

# MOLECULAR DEVICES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 10 Property, plant and equipment (Continued)

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

Right-of-use assets	2020 £'000	2019 £'000
<b>Net values</b>		
Property	793	111
Computer, office furniture and equipment	524	570
	<u>1,317</u>	<u>681</u>
<b>Depreciation charge for the year</b>		
Property	165	166
Computer, office furniture and equipment	228	194
	<u>393</u>	<u>360</u>

### 11 Investments

	2020 £'000	2019 £'000
Other investments	<u>13,243</u>	<u>13,243</u>

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
<b>Cost or valuation</b>	
At 1 January 2020 & 31 December 2020	<u>13,243</u>
<b>Carrying amount</b>	
At 31 December 2020	<u>13,243</u>
At 31 December 2019	<u>13,243</u>

### 12 Inventories

	2020 £'000	2019 £'000
Finished goods	<u>1,063</u>	<u>605</u>

# MOLECULAR DEVICES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 13 Trade and other receivables

	2020 £'000	2019 £'000
Trade receivables	6,225	7,644
Other receivables	480	29
Amounts owed by fellow group undertakings	2,345	2,723
Prepayments and accrued income	84	337
	<u>9,134</u>	<u>10,733</u>

Trade receivables are stated after allowances for expected credit losses of £Nil (2019: £4,000). 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.

#### 14 Trade and other payables

	Current		Non-current	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Trade payables	871	759	-	-
Accruals and deferred income	4,455	3,090	341	265
Other taxation and social security	507	703	-	-
	<u>5,833</u>	<u>4,552</u>	<u>341</u>	<u>265</u>

#### 15 Borrowings

	2020 £'000	2019 £'000
Unsecured borrowings at amortised cost		
Bank overdrafts	<u>2,254</u>	<u>9,489</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:

	2020 £'000	2019 £'000
Current liabilities	<u>2,254</u>	<u>9,489</u>

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 2020

### 16 Lease liabilities

	£'000
At 1 January 2020	649
Lease payments	(372)
Interest charged during the year	14
New leases acquired	1,069
At 31 December 2020	1,360

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

	2020 £'000	2019 £'000
Lease liabilities are repayable:		
Within 1 year	412	307
In more than 1 year but less than 5 years	948	342
	1,360	649

The company's lease arrangements relate to 1 property lease and 41 plant and machinery leases. The leases have termination dates ranging from 2 to 57 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 0.9%

### 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 2019	(184)	(62)	(246)
<b>Deferred tax movements in prior year</b>			
Credit to profit or loss	25	(12)	13
Deferred tax asset at 1 January 2020	(159)	(74)	(233)
<b>Deferred tax movements in current year</b>			
Credit to profit or loss	(112)	13	(99)
Deferred tax asset at 31 December 2020	(271)	(61)	(332)

# **MOLECULAR DEVICES (UK) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2020**

#### **17 Deferred taxation (Continued)**

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:

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Deferred tax assets	<u>(332)</u>	<u>(233)</u>

There are no unrecognised deferred tax assets or liabilities.

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

The net deferred tax asset outlined above is included in non-current assets in the balance sheet. Of these, net deferred tax assets of £332,000 (2019: £233,000) is due in more than one year.

#### **18 Provisions for liabilities**

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Dilapidations provision	<u>90</u>	<u>175</u>
Movements on provisions:	<b>Dilapidations provision</b>	
		<b>£'000</b>
At 1 January 2020		175
Reversal of provision		(85)
At 31 December 2020		<u>90</u>

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 £319,000 (2019: £344,000). There were no unpaid contributions outstanding at the year end (2019: £Nil).

# MOLECULAR DEVICES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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20	Share capital	2020 £'000	2019 £'000
	<b>Ordinary share capital</b>		
	<b>Issued and fully paid</b>		
	10,000 ordinary shares of £1 each	10	10
		<u>10</u>	<u>10</u>

#### *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 2020:

- 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.

### 22 Events after the reporting date

On 6 August 2021, 1,513 ordinary shares with a nominal value of £1 were cancelled.

### 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.