

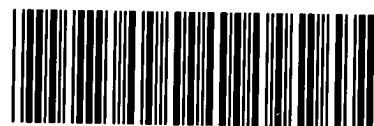
Registration number: 03153068

# Thermo Electron (Management Services) Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2022

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## **THERMO ELECTRON (MANAGEMENT SERVICES) LIMITED**

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## **THERMO ELECTRON (MANAGEMENT SERVICES) LIMITED**

### **COMPANY INFORMATION**

<b>Directors</b>	D Norman E Cameron A Smith W Ahmed
<b>Company secretary</b>	Oakwood Corporate Secretary Limited R Gregg
<b>Registered office</b>	3rd Floor 1 Ashley Road Altrincham Cheshire WA14 2DT
<b>Solicitors</b>	Addleshaw Goddard 1 St Peter's Square Manchester M2 3DE
<b>Bankers</b>	Barclays Bank 1 Churchill Place London E14 5HP
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Hardman Square Manchester M3 3EB

## **THERMO ELECTRON (MANAGEMENT SERVICES) LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022**

The directors present their strategic report on the company for the year ended 31 December 2022.

#### **Principal activities**

The principal activity of the company is to provide management services to other group companies in the UK, Europe, the Middle East and Africa.

#### **Review of the business and future developments**

The directors are satisfied with the performance in the year. A general increase in annual costs of the centralised activities within the European group companies has seen a resultant increase in turnover. The directors expect to see similar turnover levels in the future.

The company will continue to operate within its existing principal activity of providing management services to other group companies for the future.

#### **Key performance indicators (KPI's)**

The directors believe that the key performance indicators ('KPIs') are covering its operating expenses.

Turnover has increased from £62,590,000 (2021) to £65,658,000 as a result of increased centralisation of management costs recharged out to the business units in Europe.

Total operating margins increased slightly in relation to turnover to 10.33% (2021: 9.81%). This is in line with management expectations and the mark up applied to costs.

The profit for the financial year was £6,281,000 (2021: £6,338,000) which will be transferred to reserves.

Employee numbers decreased by 64 (17%) in the year following a reduction in the number of temporary employees transferred from other group companies to Thermo Electron (Management Services) Limited.

The net asset position at 31 December 2022 was £44,333,000 (2021: £38,217,000).

#### **Statement by the directors of their statutory duties in accordance with Section 172(1) of the Companies Act 2006**

The directors of the company have acted in accordance with a set of general duties. These duties are detailed in section 172 of the Companies Act 2006 which is summarised as follows:

'Each director of the company has acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long term,
- the interests of the company's employees,
- the need to foster the company's business relationships with suppliers, customers and others,
- the impact of the company's operations on the community and the environment,
- the desirability of the company maintaining a reputation for high standards of business conduct,
- the need to act fairly as between members of the company.'

As part of the director induction process, a director is briefed on their duties and they can access professional advice on these from the company secretary. The following paragraphs summarise how the directors fulfil their duties.

## **THERMO ELECTRON (MANAGEMENT SERVICES) LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

#### **Statement by the directors of their statutory duties in accordance with Section 172(1) of the Companies Act 2006 (continued)**

##### **Risk management**

As we continue to grow our business our risk environment also becomes more complex. It is therefore vital that we effectively identify, evaluate, manage and mitigate the risks we face and that we continue to evolve our approach to risk management.

For details of our principal risks and uncertainties and how we manage those risks, please refer to the principal risks section within the Strategic Report.

##### **Business relationships**

Our mission is to enable our customers to make the world healthier, cleaner and safer and as a result of this mission we have created a culture where our customers come first. Part of our business strategy is to continue to strengthen our company to be the partner customers rely on to help them achieve their goals. This is achieved through delivering a unique value proposition to our customers.

As a company we place great importance on building and maintaining strong relationships with our suppliers. The company is committed to meeting payment terms agreed with suppliers and we seek to resolve queries in an efficient and professional manner.

##### **Our colleagues**

None of our accomplishments would be possible without our team. Inspired by our mission, and grounded by our 4 values (integrity, intensity, innovation and involvement) this motivates our team to bring their best every day. It also helps us to attract and retain talent which is critical to our future.

We invest in our colleagues through numerous development programs that enrich their individual experiences, stress the importance of teams and build skills that set them up for success.

Further information can be found in the Directors' Report.

##### **Community and environment**

Our mission is to enable our customers to make the world healthier, cleaner and safer. One way that we fulfil our Mission is by being a socially responsible community partner. Our giving strategy includes educational programs, colleague donations and volunteering.

Our signature STEM education programs connect students and colleagues through hands on and team based activities that highlight our technologies, make connections to careers in STEM and demonstrate how our company impacts the world.

To promote the generous spirit of our colleagues, our Charitable Giving Program provides a platform that allows them to contribute to causes that they feel passionately about. Through the program, employees can make direct donations to a charity of their choice, create a fundraiser - gathering greater support for a cause, or contribute to support a disaster relief campaign. Through our Employee Matching Gift program, we help employees make an even bigger impact by matching their contribution to eligible charities by 50%.

We feel it is important to support our community, throughout the year we encourage employees to take part in volunteering and charity events where our employees, together with our charity partners, take part in hands on volunteering.

## **THERMO ELECTRON (MANAGEMENT SERVICES) LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**Statement by the directors of their statutory duties in accordance with Section 172(1) of the Companies Act 2006 (continued)**

#### **Community and environment (continued)**

The company is a part of Thermo Fisher Scientific Inc.'s global strategy to reduce our carbon footprint by 30% by 2030. As part of this global initiative we are committed to reviewing and reducing greenhouse gas emissions.

#### **Principal risks and uncertainties and financial risk management**

The management of the business is subject to a number of risks including currency risk, interest rate cash flow risk and liquidity risk. The mitigation of these risks has been outlined below.

#### **Financial risk management**

The company's operations expose it to a variety of financial risks that include the effects of changes in price risk, credit risk, currency risk and interest rate cash flow risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs.

In order to ensure stability of cash out flows and hence manage interest rate risk, the company is supported by fellow group operations. The company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department. The department has a policy and procedures manual that sets out specific guidelines to manage interest rate risk, credit risk and circumstances where it would be appropriate to use financial instruments to manage these.

#### **Currency risk**

The company is exposed to currency risk as a result of its operations. However, given the size of the company's operations, the cost of managing the exposure to currency risk through the use of derivative financial instruments exceeds any potential benefits, and as such no hedge accounting is applied. The company operates foreign currency bank accounts in order to offset foreign currency receipts and payments.

#### **Interest rate cash flow risk**

The company has interest bearing liabilities. Interest payable is on group loans and bank loans and overdrafts, all of which incur interest at fixed and variable rates. The management of cash flows is taken account of as part of the group's financing activity. With effect from 1 January 2022 the group has replaced the use of LIBOR as a benchmark interest rate and started using the Sterling Overnight Index Average. The directors do not see any change to the interest rate cash flow risk as a result of this change. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

## **THERMO ELECTRON (MANAGEMENT SERVICES) LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

#### **Principal risks and uncertainties and financial risk management (continued)**

##### **Liquidity risk**

The company monitors its net current liabilities position and relies upon the support of fellow group entities and the cash pooling arrangements to ensure it is able to meet its liabilities as they fall due.

##### **Russia / Ukraine**

Management is aware of the current conflict between Russia and Ukraine and have performed an analysis to determine whether this situation impacts the company's operations. Management have concluded that the current conflict has not impacted the operational activities however they continue to closely monitor the situation.

Approved and authorised by the Board on 21 July 2023 and signed on its behalf by:

DocuSigned by:  
*Euan Cameron*  
771F19E0141343D

E Cameron  
Director

## **THERMO ELECTRON (MANAGEMENT SERVICES) LIMITED**

### **DIRECTORS REPORT FOR THE YEAR ENDED 31 DECEMBER 2022**

The directors present their report and the audited financial statements of the company for the year ended 31 December 2022.

#### **Future developments**

Future developments are deemed to be of strategic importance to the company and as such have been outlined within the Strategic Report.

#### **Going Concern**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The company's estimates include, among others, asset reserve requirements as well as the amounts of future cash flows associated with certain assets and businesses that are used in assessing the risk of impairment.

The bank financing arrangements of the company includes cash at bank or in hand, and cash held by group entities under the cash sweep arrangements (as reported within creditors as amounts owed to group undertakings). Amounts held within the in-house bank are repayable on demand. As a participant in the cash sweep arrangement, a letter of support has been obtained from Thermo Fisher Scientific Inc., who have confirmed they will continue to support the company and provide any further intercompany financing, if required, for a period of at least 12 months from the date of approval of the financial statements.

#### **Dividends**

The company did not pay a dividend during the year (2021: £Nil).

#### **Financial risk management and research and development**

Disclosures relating to these areas are included in the Strategic Report.

#### **Directors of the company**

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

D Norman

E Cameron

A Smith

W Ahmed

#### **Third party indemnity provision**

The company has made qualifying third party indemnity provisions for the benefit of its directors (which extend to the performance of any duties as a director of any associated company) and these were in force during the year and they remain in force at the date of this report.

#### **Employees**

The company recognises the benefit of keeping employees informed of the progress of the business and of involving them in the company's performance and, accordingly, maintains regular communications with employees and has well established consultation arrangements that include the following:



## **THERMO ELECTRON (MANAGEMENT SERVICES) LIMITED**

### **DIRECTORS REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

#### **Employees (continued)**

- systematic provision of relevant information to employees;
- regular consultation with employees or their representatives so that the employees' views may be taken into account in making decisions that are likely to affect their interests;
- encouragement of employees' participation in the group's performance by employee share schemes; and
- achieving awareness on the part of all employees of the financial and economic factors affecting the group's performance.

#### **Disabled employees**

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a disabled person.

Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion wherever appropriate.

#### **Exemption for Streamlined Energy and Carbon Reporting (SECR)**

The company has little physical presence and the activities of the company almost completely consist of management recharges. As a result the directors consider the company to be a low energy user and therefore exempt from streamlined energy and carbon reporting.

#### **Statement of directors' responsibilities in respect of the financial statements**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

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 the financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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.

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.

## **THERMO ELECTRON (MANAGEMENT SERVICES) LIMITED**

### **DIRECTORS REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

#### **Stakeholder engagement statement**

For details on stakeholder engagements, please see the 'Business relationships' section of the Strategic Report.

#### **Employee engagement statement**

For details on employee engagements, please see the 'Our colleagues' section of the Strategic Report.

#### **Statement of disclosure of information to auditors**

Each of the persons who are a director at the date of approval of this report confirms that:


- So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- Each director has taken all the steps that he/she should have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

#### **Independent Auditors**

The independent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the annual general meeting.

Approved and authorised by the Board on 21 July 2023 and signed on its behalf by:

DocuSigned by:  
  
231F19E0C41648D  
E Cameron  
Director

# Independent auditors' report to the members of Thermo Electron (Management) Services Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, Thermo Electron (Management) Services Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2022; the Profit and Loss Account and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

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 of at least twelve months from when the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### **Strategic report and Directors' Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

### **Auditors' 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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to tax legislation and employment law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of inappropriate journal entries to manipulate financial results and management bias in accounting. Audit procedures performed by the engagement team included:

- inquiry of management and the Company's in-house legal and compliance team around actual and potential non-compliance with laws and regulations;
- review of legal expense accounts, assessing whether the nature of costs were indicative of non-compliance with laws and regulations;
- review of meeting minutes of those charged with governance;
- testing journal entries meeting specific risk criteria, testing accounting estimates for indication of management bias and evaluating the business rationale of any significant transactions outside the normal course of business; and
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## Other required reporting

### Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

*Kirsty Luke*

Kirsty Luke (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Manchester  
21 July 2023

**THERMO ELECTRON (MANAGEMENT SERVICES) LIMITED****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2022**

	<b>Note</b>	<b>2022 £ 000</b>	<b>2021 £ 000</b>
Turnover	5	<u>65,658</u>	<u>62,590</u>
Gross profit		65,658	62,590
Administrative expenses		<u>(58,876)</u>	<u>(56,449)</u>
Operating profit	6	6,782	6,141
Interest payable and similar expenses	7	<u>(1,322)</u>	<u>(765)</u>
Profit before tax		5,460	5,376
Tax on profit		<u>821</u>	<u>962</u>
Profit for the financial year		<u><u>6,281</u></u>	<u><u>6,338</u></u>

The above results were derived from continuing operations.

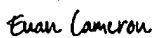
The company has no recognised gains or losses for the year other than the results above.

**THERMO ELECTRON (MANAGEMENT SERVICES) LIMITED**

**(REGISTRATION NUMBER: 03153068)**  
**BALANCE SHEET AS AT 31 DECEMBER 2022**

		<b>(As restated)</b>	
	<b>Note</b>	<b>2022 £ 000</b>	<b>2021 £ 000</b>
<b>Fixed assets</b>			
Intangible assets	11	-	-
Tangible assets	12	17,099	17,415
Investments	13	54,300	54,300
		<u>71,399</u>	<u>71,715</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	14	81,999	17,828
Creditors: Amounts falling due within one year	15	(109,063)	(51,022)
<b>Net current liabilities</b>		<u>(27,064)</u>	<u>(33,194)</u>
<b>Total assets less current liabilities</b>		44,335	38,521
<b>Provisions for liabilities</b>	16	(2)	(304)
<b>Net assets</b>		<u>44,333</u>	<u>38,217</u>
<b>Capital and reserves</b>			
Called up share capital	18	4,000	4,000
Share premium account	19	3,036	3,036
Retained earnings		37,297	31,181
<b>Total equity</b>		<u>44,333</u>	<u>38,217</u>

Approved and authorised by the Board on 21 July 2023 and signed on its behalf by:

DocuSigned by:  
  
 231F12E0EA10440.....  
 E Cameron  
 Director

The notes on pages 15 to 35 form an integral part of these financial statements.

**THERMO ELECTRON (MANAGEMENT SERVICES) LIMITED****STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022**

	<b>Called up share capital £ 000</b>	<b>Share premium account £ 000</b>	<b>Retained earnings £ 000</b>	<b>Total £ 000</b>
At 1 January 2022	4,000	3,036	31,181	38,217
Profit for the year	-	-	6,281	6,281
Credit relating to equity-settled share-based payments	-	-	680	680
Charge from parent for equity-settled share-based payments	-	-	(845)	(845)
At 31 December 2022	4,000	3,036	37,297	44,333
	<b>Called up share capital £ 000</b>	<b>Share premium account £ 000</b>	<b>Retained earnings £ 000</b>	<b>Total £ 000</b>
At 1 January 2021	4,000	3,036	25,994	33,030
Profit for the year	-	-	6,338	6,338
Credit relating to equity-settled share-based payments	-	-	130	130
Charge from parent for equity-settled share-based payments	-	-	(1,281)	(1,281)
At 31 December 2021	4,000	3,036	31,181	38,217

The notes on pages 15 to 35 form an integral part of these financial statements.



## **THERMO ELECTRON (MANAGEMENT SERVICES) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

#### **1 General information**

The company is a private company limited by share capital, incorporated in United Kingdom.

The address of its registered office is:

3rd Floor  
1 Ashley Road  
Altrincham  
Cheshire  
WA14 2DT

These financial statements were authorised for issue by the Board on 21 July 2023.

#### **2 Statement of compliance**

The individual financial statements of Thermo Electron (Management Services) Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102") and the Companies Act 2006, under the provision of the Large and Medium-size Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410).

#### **3 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Basis of preparation**

These financial statements have been prepared on a going concern basis, under the historical cost convention as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

##### **Going concern**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The company's estimates include, among others, asset reserve requirements as well as the amounts of future cash flows associated with certain assets and businesses that are used in assessing the risk of impairment.

## **THERMO ELECTRON (MANAGEMENT SERVICES) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022(CONTINUED)**

#### **3 Accounting policies (continued)**

##### **Going concern (continued)**

The bank financing arrangements of the company includes cash at bank or in hand, and cash held by group entities under the cash sweep arrangements (as reported within creditors as amounts owed to group undertakings). Amounts held within the in-house bank are repayable on demand. As a participant in the cash sweep arrangement, a letter of support has been obtained from Thermo Fisher Scientific Inc., who have confirmed they will continue to support the company and provide any further intercompany financing, if required, for a period of at least 12 months from the date of approval of the financial statements.

##### **Exemptions for qualifying entities under FRS 102**

FRS 102 allows a qualifying entity certain disclosure exemptions.

##### *Cash flow statement and related party disclosures*

The company is included in the consolidated financial statements of Thermo Fisher Scientific Inc. which are publicly available. Consequently, as the company is a 100% owned subsidiary, the company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, Thermo Fisher Scientific Inc., includes the company's cash flows in its own consolidated financial statements.

The company is also exempt under the terms of FRS 102 paragraph 33.1 from disclosing related party transactions with entities that are part of the Thermo Fisher Scientific Inc. group (see note 22).

##### *Key Management Compensation*

The company has taken advantage of the exemption under FRS 102 para 33.7 from disclosing its key management personnel compensation in total as this is disclosed in full in the consolidated group financial statements.

##### *Share-based payments*

The company has taken advantage of the exemption under FRS 102 para 26.16 where the company is a member of a group share-based payment arrangement and where the company's expense is based on a reasonable allocation and disclosed in full in the consolidated group financial statements.

##### *Consolidated financial statements*

The financial statements contain information about Thermo Electron (Management Services) Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent company, Thermo Fisher Scientific Inc., a company incorporated in the United States of America (see note 24). The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Thermo Fisher Scientific Inc.. The address of the ultimate parent's registered office is 168 Third Avenue, Waltham, MA 02451, USA.

## **THERMO ELECTRON (MANAGEMENT SERVICES) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022(CONTINUED)**

#### **3 Accounting policies (continued)**

##### **Foreign currency**

###### *(i) Functional and presentation currency*

The company's functional and presentation currency is the pound sterling.

###### *(ii) Transactions and balances*

Transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transactions is included as an exchange gain or loss in the Profit and Loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

Non-monetary items measured at historical costs are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses are presented in the Profit and Loss account within Administrative expenses.

##### **Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents the amount received for services rendered, net of value added taxes. Revenue is calculated by uplifting administrative costs. Administrative costs are recognised and recharged on an accrual basis.

##### **Interest income**

Interest income is recognised using the effective interest rate method.

##### **Employee benefits**

The company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined benefit and defined contribution pension plans.

###### *(i) Short term benefits*

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

###### *(ii) Defined contribution pension plans*

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

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs is the contribution payable in the year. Differences between contributions payable and actually paid are shown as either accruals or prepayments in the balance sheet.

## **THERMO ELECTRON (MANAGEMENT SERVICES) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022(CONTINUED)**

#### **3 Accounting policies (continued)**

##### **Annual bonus plan**

The company operates an annual bonus plan for employees. An expense is recognised in the profit and loss account when the company has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

##### **Share-based payments**

Where the company participates in a share-based payment arrangement established by a group company the company takes advantage of the alternative treatment allowed under Section 26 of FRS 102. The company recognises the share-based payment expense based on an allocation of its share of the group's total expense, calculated in proportion to the number of participating employees. The corresponding credit is recognised in retained earnings as a component of equity.

Where the company is charged for the cost of share-based payments arrangements the amounts are treated as a reduction to retained earnings.

These financial statements include no disclosure in regards to share-based payments as the company has taken advantage of the exemption under FRS 102 para 26.16.

##### **Taxation**

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

##### *(i) Current tax*

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

##### *(ii) Deferred tax*

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

## **THERMO ELECTRON (MANAGEMENT SERVICES) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022(CONTINUED)**

#### **3 Accounting policies (continued)**

##### **Intangible assets**

###### *Software*

Software is stated at cost less accumulated amortisation and accumulated impairment losses. Software is amortised over its estimated useful life, of between 3 and 5 years, on a straight line basis.

Where factors, such as technological advancement or changes in the market price, indicate that residual value or useful life have changes, the residual value, useful life or amortization rate are amended prospectively to reflect the new circumstances. The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

##### **Tangible assets**

Tangible fixed assets are stated at historic purchase cost, net of accumulated depreciation and any provision for impairment. Cost includes the original purchase price of the asset and costs attributable to bringing the asset into its working condition for its intended use.

###### *Fixtures, fittings, and computer equipment*

Fixtures, fittings, and computer equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

###### *Depreciation and residual values*

The fixed assets have been depreciated on a straight line basis at rates calculated to reduce the net book value of each asset to its estimated residual value by the end of its expected useful economic life in the company's business, and the rates are as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Fixtures, Fittings, and computer equipment	3 to 5 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

###### *Subsequent additions and major components*

Repairs, maintenance and minor inspection costs are expensed, as incurred.

###### *Derecognition*

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss and included in 'Administrative expenses'.

## **THERMO ELECTRON (MANAGEMENT SERVICES) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022(CONTINUED)**

#### **3 Accounting policies (continued)**

##### **Leased assets**

###### *Operating leased assets*

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

##### **Investments**

Investments held as fixed assets are stated at cost less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of either impairment or the reversal of an existing impairment.

##### **Cash and cash equivalents**

Cash and cash equivalents includes cash in hand and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### **Provisions and contingencies**

###### *Provisions*

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

In particular:

- (i) Restructuring provisions are recognised when the company has a detailed, formal plan for the restructuring and has raised a valid expectation in those affected by either starting to implement the plan or announcing its main features to those affected and therefore has a legal or constructive obligation to carry out the restructuring; and
- (ii) Provision is not made for future operating losses.
- (iii) Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

## **THERMO ELECTRON (MANAGEMENT SERVICES) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022(CONTINUED)**

#### **3 Accounting policies (continued)**

##### **Provisions and contingencies (continued)**

###### *Contingencies*

Contingent liabilities are not recognised. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

###### **Financial instruments**

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

###### *Financial assets*

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

## **THERMO ELECTRON (MANAGEMENT SERVICES) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022(CONTINUED)**

#### **3 Accounting policies (continued)**

##### **Financial instruments (continued)**

###### *Financial liabilities*

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

###### *Offsetting*

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

##### **Share Premium**

The share premium account is classified as equity. The share premium account represents the value paid by the shareholder in excess of the par value of share capital issued. This account can be used to write off equity-related expenses, such as underwriting costs, and may also be used to issue bonus shares.

##### **Distributions to equity holders**

Dividends and other distributions to company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the company's shareholders. These amounts are recognised in the statement of changes in equity.



## **THERMO ELECTRON (MANAGEMENT SERVICES) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022(CONTINUED)**

#### **3 Accounting policies (continued)**

##### **Related party transactions**

The company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

#### **4 Critical accounting judgements and estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### **(a) Critical judgements in applying the entity's accounting policies**

###### **(i) Share-based payments**

The company's employees have been granted share options by the ultimate parent company, Thermo Fisher Scientific Inc. The company makes use of the exemption in Section 26 of FRS 102 to account for the expense based on a reasonable allocation of the parent company's total expense. The company has calculated its allocation of the parent company's total expense based on the number of participating employees in the company compared to the number of participating employees in the group.

The company also considered an allocation based on the relative remuneration cost of the relevant employees and considered that this gave rise to no significant differences in the allocated costs.

###### **(b) Critical accounting estimates and assumptions**

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

###### **(i) Impairment of investments**

The company makes an estimate of the recoverable value of investment in its subsidiary companies. When conducting reviews for investment impairment triggers, the carrying value of investments is compared to estimated recoverable amounts, represented by the net assets of the investments held. See note 13 for the carrying amount of the investments and any associated impairment provision. There were no adjustments to the carrying value of investments during the year.

###### **(c) Other estimates**

###### **(i) Useful economic lives of tangible assets**

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of the property plant and equipment, and note 3 for the useful economic lives for each class of assets.

**THERMO ELECTRON (MANAGEMENT SERVICES) LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31  
DECEMBER 2022(CONTINUED)****5 Turnover**

The analysis of the company's turnover for the year from continuing operations by nature is as follows:

	<b>2022</b>	<b>2021</b>
	<b>£ 000</b>	<b>£ 000</b>
Rendering of services	<u>65,658</u>	<u>62,590</u>

The analysis of the company's turnover for the year by market is as follows:

	<b>2022</b>	<b>2021</b>
	<b>£ 000</b>	<b>£ 000</b>
United Kingdom	21,435	24,291
Rest of Europe	43,733	37,912
Rest of World	<u>490</u>	<u>387</u>
	<u>65,658</u>	<u>62,590</u>

**6 Operating profit**

Arrived at after charging/(crediting)

	<b>2022</b>	<b>2021</b>
	<b>£ 000</b>	<b>£ 000</b>
Reorganisation expense	51	204
Depreciation expense	5,399	4,023
Amortisation expense	-	12
Foreign exchange losses/(gains)	273	(101)
Auditor fees payable to the company's auditor	45	39
Operating lease charges - other	<u>11</u>	<u>11</u>

**7 Interest payable and similar expenses**

	<b>2022</b>	<b>2021</b>
	<b>£ 000</b>	<b>£ 000</b>
Interest payable on loans from group undertakings	<u>1,322</u>	<u>765</u>

**THERMO ELECTRON (MANAGEMENT SERVICES) LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022(CONTINUED)****8 Staff costs**

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

	<b>2022</b>	<b>2021</b>
	<b>£ 000</b>	<b>£ 000</b>
Wages and salaries	23,158	20,562
Social security costs	4,943	3,886
Pension costs, defined contribution scheme	1,118	975
Share-based payment expenses	680	130
	<u>29,899</u>	<u>25,553</u>

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

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
Administration	<u>65</u>	<u>62</u>

	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>
Employed by the company	65	62
Employed by the company and recharged to other group entities	(31)	(23)
Employed by other group entities and recharged to the company	268	327
	<u>302</u>	<u>366</u>

The company had an average of 65 (2021: 62) employees on the payroll during the year. The costs of 31 (2021: 23) of these employees are recharged out to other group entities as they perform duties solely for other entities. The remaining 34 (2021: 39) employees perform their duties for the company. The company receives the costs of 268 (2021: 327) employees that are employed by other group entities but perform their duties for the company.

**THERMO ELECTRON (MANAGEMENT SERVICES) LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31  
DECEMBER 2022(CONTINUED)****9 Directors' remuneration**

The directors' remuneration for the year was as follows:

	<b>2022</b>	<b>2021</b>
	<b>£ 000</b>	<b>£ 000</b>
Aggregate emoluments	265	300
Aggregate amounts (including shares) receivable under long-term incentive schemes	-	2
Company contributions to defined contribution pension scheme	14	14
	<u>279</u>	<u>316</u>

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

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
Received or were entitled to receive shares under long term incentive schemes	3	3
Exercised options over shares of Thermo Fisher Scientific Inc.	1	2
Accruing benefits under defined benefit pension scheme	-	-
Accruing benefits under money purchase pension scheme	<u>3</u>	<u>3</u>

In respect of the highest paid director:

	<b>2022</b>	<b>2021</b>
	<b>£ 000</b>	<b>£ 000</b>
Total emoluments and amounts (excluding shares) receivable under long-term incentive schemes	160	189
Company contributions to defined contribution pension scheme	10	10
	<u>170</u>	<u>199</u>

The highest paid director did not exercise share options over shares in Thermo Fisher Scientific Inc. during 2022 (2021: did not exercise share options).

**THERMO ELECTRON (MANAGEMENT SERVICES) LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022(CONTINUED)****10 Taxation**

Tax charged/(credited) in the profit and loss account

	<b>2022</b> <b>£ 000</b>	<b>2021</b> <b>£ 000</b>
<b>Current taxation</b>		
UK corporation tax	-	(962)
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	(624)	-
Arising from changes in tax rates and laws	(197)	-
Total deferred taxation	<u>(821)</u>	<u>-</u>
Tax receipt in the income statement	<u>(821)</u>	<u>(962)</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2021 - lower than the standard rate of corporation tax in the UK) of 19.00% (2021 - 19.00%).

The differences are reconciled below:

	<b>2022</b> <b>£ 000</b>	<b>2021</b> <b>£ 000</b>
Profit before tax	<u>5,460</u>	<u>5,376</u>
Corporation tax at standard rate	1,037	1,021
Effect of expense not deductible in determining taxable profit (tax loss)	1	11
Deferred tax credit relating to changes in tax rates or laws	(197)	-
Decrease from effect of tax incentives	(261)	-
Deferred tax credit from unrecognised temporary difference from a prior period	-	(343)
Decrease in UK and foreign current tax from adjustment for prior periods	-	(962)
Tax decrease from effect of exercise of employee share options	(340)	(115)
Tax increase/(decrease) arising from group relief	57	(574)
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>(1,118)</u>	<u>-</u>
Total tax credit	<u>(821)</u>	<u>(962)</u>

The company's profit for accounting year ended 31 December 2022 was taxed at 19.00% (2021: 19.00%).

**THERMO ELECTRON (MANAGEMENT SERVICES) LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31  
DECEMBER 2022(CONTINUED)****10 Taxation (continued)**

Factors that may affect future tax charges:

The UK headline corporation tax rate for the period was 19% (2021: 19.00%). In the Spring Budget on 3 March 2021 it was announced that the UK Corporation Tax rate would increase to 25% with effect from 1 April 2023 and was substantively enacted on 24 May 2021. Therefore at the balance sheet date deferred tax is measured at the rate that will be enacted or substantively enacted on the date when the underlying temporary differences are expected to unwind.

**11 Intangible assets**

	<b>Software £ 000</b>	<b>Total £ 000</b>
<b>Cost</b>		
At 1 January 2022	128	128
At 31 December 2022	128	128
<b>Accumulated amortisation</b>		
At 1 January 2022	128	128
At 31 December 2022	128	128
<b>Net book value</b>		
At 31 December 2022	-	-
At 31 December 2021	-	-

**THERMO ELECTRON (MANAGEMENT SERVICES) LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31  
DECEMBER 2022(CONTINUED)****12 Tangible assets**

	<b>Fixtures, fittings and computer equipment £ 000</b>	<b>Total £ 000</b>
<b>Cost</b>		
At 1 January 2022	36,597	36,597
Additions	5,084	5,084
Disposals	(6,166)	(6,166)
At 31 December 2022	<u>35,515</u>	<u>35,515</u>
<b>Accumulated depreciation</b>		
At 1 January 2022	19,182	19,182
Charge for the year	5,399	5,399
Eliminated on disposal	(6,165)	(6,165)
At 31 December 2022	<u>18,416</u>	<u>18,416</u>
<b>Net book value</b>		
At 31 December 2022	<u>17,099</u>	<u>17,099</u>
At 31 December 2021	<u>17,415</u>	<u>17,415</u>

**13 Investments**

	<b>2022 £ 000</b>	<b>2021 £ 000</b>
Investments in subsidiaries	<u>54,300</u>	<u>54,300</u>
<b>Subsidiaries</b>		<b>£ 000</b>
<b>Cost</b>		
At 1 January 2022		54,300
Additions		-
At 31 December 2022		<u>54,300</u>
<b>Provision for impairment</b>		
At 1 January 2022		-
Provision		-
Eliminated on disposals		-
At 31 December 2022		<u>-</u>
<b>Net book value</b>		
At 31 December 2022		<u>54,300</u>
At 31 December 2021		<u>54,300</u>

**THERMO ELECTRON (MANAGEMENT SERVICES) LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31  
DECEMBER 2022(CONTINUED)****13 Investments (continued)**

Analysed as:

	2022 £ 000	2021 £ 000
Life Sciences International Holdings B.V.	54,299	54,299
Thermo Ramsey Italia S.r.L	1	1
	<u>54,300</u>	<u>54,300</u>

Fixed asset investments comprise equity shares in Life Sciences International Holdings B.V. and Thermo Ramsey Italia S.r.L., neither of which are publicly traded.

As a result of the 2021 review the directors have assessed that the continued performance of Thermo Ramsey Italia S.r.L., the strong net asset position of Life Sciences International Holdings B.V. and its investments show no indicators for impairment.

When conducting reviews for investment impairment triggers, the carrying value of investments is compared to estimated recoverable amounts, represented by the net assets of the investments held. The directors believe that the carrying value of the investments is supported by their underlying net assets.

**Details of undertakings**

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2022	2021
Life Sciences International B.V.	Takkebijsters 1, Breda Netherlands	Ordinary shares	100.00%	100.00%
Thermo Ramsey Italia S.r.L	Strada Rivoltana, Km 6/7 - 20090, Rodano Italy	Ordinary shares	100.00%	100.00%

**Subsidiary undertakings**

*Life Sciences International B.V.*

The principal activity of Life Sciences International B.V. is to act as a holding company.

*Thermo Ramsey Italia S.r.L*

The principal activity of Thermo Ramsey Italia S.r.L is the development, manufacture and supply of scientific instruments.



**THERMO ELECTRON (MANAGEMENT SERVICES) LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022(CONTINUED)****14 Debtors**

		<b>2022</b>	<b>2021</b>
	<b>Note</b>	<b>£ 000</b>	<b>£ 000</b>
Due within one year			
Other debtors		-	725
Prepayments		4,633	2,984
Deferred tax assets	17	821	-
Income tax asset		-	962
Amounts owed by group undertakings		<u>76,545</u>	<u>13,157</u>
		<u>81,999</u>	<u>17,828</u>

**Amounts owed by group undertakings**

Amounts owed by group undertakings of £76,545,000 (2021: £13,157,000) are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

**15 Creditors**

			<b>(As restated)</b>
		<b>2022</b>	<b>2021</b>
		<b>£ 000</b>	<b>£ 000</b>
Due within one year			
Trade creditors		1,338	1,141
Amounts owed to group undertakings		101,788	38,048
Other payables		-	165
Accruals		<u>5,937</u>	<u>11,668</u>
		<u>109,063</u>	<u>51,022</u>

**Amounts owed to group undertakings**

The amounts owed to group undertakings includes:

- Loans of £14,100,000 (2021: £14,100,000) and accrued loan interest of £27,000 (2021: £19,000). The loans are denominated in GBP, are unsecured and repayable on demand. Interest is charged at LIBOR+1.5%.
- Cash owed under the cash sweep agreement of £63,059,000 (2021: £2,141,000). The management company Life Technologies Finance Limited, shall effect quarterly the calculation for distributions of debit interest or credit interest at rate of LIBOR+0.5% among the parties and settle this accordingly on the in-house bank accounts of the participant with the management company. It is repayable on demand.
- Intercompany trade payables of £24,602,000 (2021: £21,788,000) which are unsecured and repayable on demand.

**THERMO ELECTRON (MANAGEMENT SERVICES) LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022(CONTINUED)****16 Provisions for liabilities**

	<b>Other provisions £ 000</b>	<b>Total £ 000</b>
At 1 January 2022	304	304
Additional provisions	57	57
Provisions used	(342)	(342)
Unused provision reversed	(17)	(17)
At 31 December 2022	<u>2</u>	<u>2</u>

The restructuring provision relates to the loss of 1 (2021: 3) jobs during the year and is expected to be settled within the next 12 months.

**17 Deferred tax**

	<b>2022 £ 000</b>	<b>2021 £ 000</b>
Accelerated capital allowances	545	-
Other timing differences	276	-
Deferred tax asset	<u>821</u>	<u>-</u>

**2022  
£ 000**

**Provision for deferred taxation**

Beginning balance	-
Charge to profit and loss account	821
	<u>821</u>

The amount of recognised deferred tax asset at 31 December 2022 was £821,000 (2021: £nil). The company decided to recognise the deferred tax asset as the directors consider the future recovery would take place within the next 12 months.

At 31 December 2021 the company did not recognise a deferred tax asset in the balance sheet despite reporting losses in the previous financial years. The asset was unrecognised as the directors consider its future recovery to be uncertain. There was an unrecognised deferred tax asset which related principally to the accelerated capital allowances of approximately £3,367,000 which were carried forward relief against future profits of the same trade, subject to agreement with H M Revenue and Custom. The unrecognised deferred tax asset was made up as follows:

**THERMO ELECTRON (MANAGEMENT SERVICES) LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31  
DECEMBER 2022(CONTINUED)****17 Deferred tax (continued)**

	<b>2022</b>	<b>2021</b>
	<b>£ 000</b>	<b>£ 000</b>
Accelerated capital allowances	-	3,194
Other timing differences	-	173
Deferred tax asset	<u>-</u>	<u>3,367</u>

In the spring budget on 3 March 2021 it was announced that the UK Corporation Tax rate would increase to 25% with effect from 1 April 2023 and was substantively enacted on 24 May 2021. No further changes to UK Corporation Tax were proposed in the Spring 2022 budget. Therefore at the balance sheet date deferred tax is measured at the rate that will be enacted or substantively enacted on the date when the underlying temporary differences are expected to unwind.

**18 Called up share capital****Allotted, called up and fully paid shares**

	<b>2022</b>		<b>2021</b>	
	No.	£	No.	£
Ordinary shares of £1 each	<u>4,000,001</u>	<u>4,000,001</u>	<u>4,000,001</u>	<u>4,000,001</u>

**19 Share premium account**

	<b>2022</b>	<b>2021</b>
	<b>£ 000</b>	<b>£ 000</b>
Share premium account	<u>3,036</u>	<u>3,036</u>

**20 Capital and other commitments**

The company had the following minimum lease payments under non-cancellable operating leases for each of the following periods:

	<b>2022</b>	<b>2021</b>
	<b>£ 000</b>	<b>£ 000</b>
<b>Other</b>		
Within one year	11	11
Within two to five years	<u>22</u>	<u>33</u>
	<u>33</u>	<u>44</u>

The operating leases included in the Other category above all relate to vehicles.

The company has no other off-balance sheet arrangements.

**THERMO ELECTRON (MANAGEMENT SERVICES) LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31  
DECEMBER 2022(CONTINUED)****21 Contingent assets and liabilities**

The company is a participant in a group banking arrangement under which all surplus cash balances are held as collateral for bank facilities advanced to group members. No liability is expected to arise under this arrangement.

The company receives a recharge from the ultimate parent in respect of share-based payment awards. This recharge is recorded in the financial statements when it is paid. The recharge is based on the exercise of awards by employees, so the timing and amount of the recharge for future years is reliant on uncertain future events, and the liability is therefore disclosed as contingent.

**22 Related party transactions**

See Note 9 for disclosure of the directors' remuneration and key management compensation.

The company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the Group.

**23 Financial instruments**

The company has the following financial instruments:

	Note	2022 £ 000	2021 £ 000
<b>Financial assets that are debt instruments measured at amortised cost</b>			
Amounts owed by group undertakings	14	76,545	13,157
		<u>76,545</u>	<u>13,157</u>
<b>Financial liabilities measured at amortised cost</b>			
	Note	2022 £ 000	2021 £ 000
Trade payables	15	1,338	1,141
Amounts owed to group undertakings	15	101,788	38,048
Accrued expenses	15	5,937	11,044
		<u>109,063</u>	<u>50,233</u>

**24 Controlling parties**

The company's immediate parent undertaking is Life Sciences International Limited whose registered office is 3rd Floor, 1 Ashley Road, Altrincham, Cheshire WA14 2DT.

## THERMO ELECTRON (MANAGEMENT SERVICES) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

#### 24 Controlling parties (continued)

The ultimate parent undertaking and controlling party is Thermo Fisher Scientific Inc. which is the largest and smallest group to consolidate these financial statements. The company is incorporated in the United States of America and its common stock is listed on the New York Stock Exchange. Copies of the financial statements of the ultimate parent company are publicly available and can be obtained from its headquarters at 168 Third Avenue, Waltham, MA 02451, USA.

#### 25 Prior year restatement

The Balance Sheet restatement relates to the defined contribution pension scheme liability classification, reallocating the entire balance to present it against the correct balance sheet category.

There is no change to the overall net asset position as at 31 December 2021. The restatement is a reallocation between Post-employment benefits and Creditors: Amounts falling due within one year. The restatement was required due to the fact that the defined contribution pension scheme liability is settled in the month following its recognition.

	As previously reported 2021 £ 000	Adjustment 2021 £ 000	As restated 2021 £ 000
Creditors: Amounts falling due within one year	(50,967)	(55)	(51,022)
Post-employment benefits	(55)	55	-

The restatement to creditors has been reflected in Note 15 Creditors, as shown below.

	As previously reported 2021 £ 000	Adjustment 2021 £ 000	As restated 2021 £ 000
Trade payables	(1,141)	-	(1,141)
Amounts owed to group undertakings	(38,048)	-	(38,048)
Other payables	(165)	-	(165)
Accrued expenses	(11,613)	(55)	(11,668)
	<u>(50,967)</u>	<u>(55)</u>	<u>(51,022)</u>

#### 26 Post balance sheet events

There were no adjusting events arising after the financial period.