

Fisher Scientific UK Holding Company 2

Annual report and financial statements for the year ended 31 December 2019

Company registration number: 03977334



FISHER SCIENTIFIC UK HOLDING COMPANY 2 ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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FISHER SCIENTIFIC UK HOLDING COMPANY 2

OFFICERS AND PROFESSIONAL ADVISERS

Directors

A Smith
D Norman
E Cameron
S W Ahmed

Company Secretary

Oakwood Corporate Secretary Limited
R Gregg

Registered office

3rd Floor
1 Ashley Road
Altrincham, Cheshire
WA14 2DT

Bankers

Barclays Bank
1 Churchill Place
London
E14 5HP

Solicitors

Addleshaw Goddard
1 St Peter's Square
Manchester
M2 3DE

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
141 Bothwell Street
Glasgow
G2 7EQ

FISHER SCIENTIFIC UK HOLDING COMPANY 2

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their strategic report on the company for the year ended 31 December 2019.

Review of the business and future developments

The principal activity of the company is to act as a holding company. The principal activity of the subsidiary remains the repackaging and distribution of pharmaceutical products for clinical trial on behalf of biotech and pharmaceutical companies.

The profit for the financial year was £76,737,000 (2018: £55,303,000). As at 31 December 2019 the company had net assets of £118,883,000 (2018: £106,346,000).

The company does not expect its activities to materially change in the future.

Key performance indicators and principal risks and uncertainties

The company's only activities are that of an investment in group companies. The company provides support to group companies as required. KPI analysis is neither necessary nor helpful for an understanding of the company's performance and position due to the nature of the business.

Financial risk management

The company's operations expose it to limited financial risks that include the effects of changes in liquidity risk and interest rate risk. The company has in place a risk management program 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 and as such, no hedge accounting is applied.

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 and are actively involved in evaluating and monitoring the company's assets and liabilities. 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. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

Liquidity and interest rate risk

The company has interest bearing assets in the form of group loans. There are no interest bearing liabilities. As a result the management of cash flows is taken account of as part of the group's financing activity.

In order to ensure stability of cash outflows 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.

Investment Recoverability

This recoverability risk is mitigated by regular impairment reviews to ensure that the subsidiaries and sub-subsidiaries of the company have suffered no material diminution in value or that this diminution is mitigated as far as possible.

FISHER SCIENTIFIC UK HOLDING COMPANY 2

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Brexit

On 23 June 2016 the UK held a referendum on the UK's continuing membership of the European Union the outcome of the vote determined that the United Kingdom would leave the European Union. As a result, the United Kingdom left the European Union on 31 December 2020. As the company is a holding company there has been no impact to date and we don't expect any future significant impact from Brexit.

COVID-19

The COVID-19 outbreak has developed rapidly in 2020, with a significant number of infections. Measures taken by the both the UK and foreign governments to contain the virus have started to impact economic activity. Thermo Fisher Scientific Inc. has taken a number of measures to monitor and prevent the effects of the COVID-19 virus such as safety and health measures for our people (social distancing, working from home etc.) and implementing additional protocols at our manufacturing sites to keep them operating safely. The group has also been granted exemptions in a number of countries to remain open as we supply critical equipment in the fight against COVID-19.

COVID-19 has had no effect on the results for the year ended 31 December 2019 and is not considered to be an adjusting post balance sheet event.

At this stage, the impact on our global business and results is limited, and as the company is a holding and intercompany financing entity the main risk faced is that of an impairment of investments or debtors. The actual performance of the investments and debtors has not increased the risk of additional impairment. The company will continue to monitor the situation and potential impact to our business.

On behalf of the Board

DocuSigned by:

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E Cameron
Director

31 March 2021

FISHER SCIENTIFIC UK HOLDING COMPANY 2

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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

Future developments

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

Dividends

During the year the directors recommended and paid total dividends of £64,200,000 (2018: £53,303,000).

Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company. The directors have received confirmation that Thermo Fisher Scientific Inc. intends to support the company for at least one year after these financial statements are signed.

Financial risk management

Disclosures relating to these areas are included in the strategic report.

Directors

The directors who held office during the year and up to the date of signing the financial statements are given below:

A Smith	
D Norman	
E Cameron	
S W Ahmed	Appointed 23 March 2020
L Grant	Resigned 3 December 2019

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 remain in force at the date of this report.

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:

FISHER SCIENTIFIC UK HOLDING COMPANY 2

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Statement of directors' responsibilities in respect of the financial statements (continued)

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, 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.

Statement of disclosure of information to auditors

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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.

On behalf of the Board

DocuSigned by:

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E Cameron
Director

31 March 2021

FISHER SCIENTIFIC UK HOLDING COMPANY 2 INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FISHER SCIENTIFIC UK HOLDING COMPANY 2

Report on the audit of the financial statements

Opinion

In our opinion, Fisher Scientific UK Holding Company 2's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 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, comprising 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 2019; the profit and loss account, 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

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

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

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.

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 the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require 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 2019 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.

FISHER SCIENTIFIC UK HOLDING COMPANY 2 INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FISHER SCIENTIFIC UK HOLDING COMPANY 2

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.

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. 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 received 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.



Lorraine Quinn (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow
31 March 2021

FISHER SCIENTIFIC UK HOLDING COMPANY 2
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER
2019
PROFIT AND LOSS ACCOUNT

		Year ended 31 December	
	Note	2019 £'000	2018 £'000
Administrative income	5	12,512	—
Operating income	5	12,512	—
Income from shares in group undertakings	9	64,200	55,303
Interest receivable and similar income	7	25	—
Net interest income	7	25	—
Profit before taxation		76,737	55,303
Tax on profit	8	—	—
Profit for the financial year		76,737	55,303

There is no difference between the profit for the year stated above and the total comprehensive income for the year, therefore no separate statement of comprehensive income is presented in these financial statements.

FISHER SCIENTIFIC UK HOLDING COMPANY 2**BALANCE SHEET**

		As at 31 December	
	Note	2019 £'000	2018 £'000
Fixed assets			
Investments	9	135,583	135,583
Current assets			
Debtors falling due within one year	10	25	—
Debtors falling due after one year	10	12,520	—
Cash at bank and in hand		39	56
		12,584	56
Creditors: amounts falling due within one year	11	(29,284)	(29,293)
Net current liabilities		(16,700)	(29,237)
Total assets less current liabilities		118,883	106,346
Net assets		118,883	106,346
Capital and reserves			
Called up share capital	13	7,023	7,023
Retained earnings		111,860	99,323
Total equity		118,883	106,346

The notes on pages 13 to 22 are an integral part of these financial statements.

The financial statements on pages 10 to 22 were authorised for issue by the board of directors on 31 March 2021 and were signed on its behalf

DocuSigned by:

 231F19E0E41648D...
 E Cameron

Director

Fisher Scientific UK Holding Company 2

Company registration number: 03977334

FISHER SCIENTIFIC UK HOLDING COMPANY 2**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019**

		£'000	£'000	£'000
	Note	Called up share capital	Retained earnings	Total equity
Balance as at 1 January 2018		7,023	99,323	106,346
Profit for the financial year		—	55,303	55,303
Total comprehensive income for the year		—	55,303	55,303
Dividends	13	—	(55,303)	(55,303)
Total transactions with owners, recognised directly in equity		—	(55,303)	(55,303)
Balance as at 31 December 2018		7,023	99,323	106,346
Balance as at 1 January 2019		7,023	99,323	106,346
Profit for the financial year		—	76,737	76,737
Total comprehensive income for the year		—	76,737	76,737
Dividends	13	—	(64,200)	(64,200)
Total transactions with owners, recognised directly in equity		—	(64,200)	(64,200)
Balance as at 31 December 2019		7,023	111,860	118,883

FISHER SCIENTIFIC UK HOLDING COMPANY 2

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

1. General Information

Fisher Scientific UK Holding Company 2 ('the company') is an investment holding company. The company is a private unlimited company incorporated in the United Kingdom and registered in England (registered number 03977334), and the registered office is the 3rd Floor, 1 Ashley Road, Altrincham, Cheshire, WA4 2DT.

2. Statement of compliance

The individual financial statements of Fisher Scientific UK Holding Company 2 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 the Republic of Ireland' ('FRS 102') and the Companies Act 2006.

3. Summary of significant accounting policies

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. The company has adopted FRS 102 in these financial statements.

Basis of preparation

These financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

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 directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company Thermo Fisher Scientific Inc. The directors have received confirmation that Thermo Fisher Scientific Inc. intend to support the company for at least one year after these financial statements are signed. The directors have a reasonable expectation that the company has access to adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its 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 14).

FISHER SCIENTIFIC UK HOLDING COMPANY 2

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

3. Summary of significant accounting policies (continued)

Consolidated financial statements

The financial statements contain information about Fisher Scientific UK Holding Company 2 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 15). 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.

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 would be 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 that relate to borrowings and cash and cash equivalents would be presented in the profit and loss account within 'Net interest (expense) / income'. All other foreign exchange gains and losses are presented in the profit and loss account within 'Administrative expenses'.

Dividend income

Dividend income is recognised when the right to receive payment is established.

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.

FISHER SCIENTIFIC UK HOLDING COMPANY 2

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

3. Summary of significant accounting policies (continued)

(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.

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 potential impairment.

Cash and cash equivalents

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

Financial instruments

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

Financial assets

Basic financial assets, including cash and bank balances and other debtors, 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 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.

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.

FISHER SCIENTIFIC UK HOLDING COMPANY 2

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

3. Summary of significant accounting policies (continued)

Financial liabilities

Basic financial liabilities, including accruals 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.

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.

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.

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 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.

FISHER SCIENTIFIC UK HOLDING COMPANY 2

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED

31 DECEMBER 2019

4 Critical accounting judgements and estimation uncertainty (continued)

(i) Impairment of debtors

The company makes an assessment of the debtor's ability to settle the amounts owed to the company considering the available funding of the counter parties.

(ii) Impairment of investments

The company makes an estimate of the recoverable value of investment in its subsidiary companies. When assessing impairment of investments, management considers factors including the current results of the company for the year and the net asset position. See note 9 for the carrying amount of the investments and any associated impairment provision.

5 Operating income

Auditors' remuneration for the company of £4,000 (2018: £3,500). The 2018 fee has been borne by one of its fellow subsidiary undertakings. In 2008 a provision was made for a debtor in the amount of £14,700,000. In 2019 this provision is reversed for an amount of £9,500,000 together with interest of £3,019,938 which was due on the loan over that period.

6 Employees and directors

The company had no employees or staff costs during the year (2018: nil).

The emoluments of the directors are paid by a fellow group company, Thermo Electron (Management Services) Limited, which makes no recharge to the company. The directors are directors of Thermo Electron (Management Services) Limited and a number of fellow subsidiaries and it is not possible to make an accurate apportionment of their emoluments in respect of their services to each of the subsidiaries. Their total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of Thermo Electron (Management Services) Limited.

7 Net interest income

Interest receivable and similar income		
	2019	2018
	£'000	£'000
Interest receivable from group undertakings	25	—
Total interest income on financial assets not measured at fair value through profit or loss	25	—
Total interest receivable and similar income	25	—

FISHER SCIENTIFIC UK HOLDING COMPANY 2 **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED** **31 DECEMBER 2019**

8 Tax on profit

Tax expense included in profit and loss:

	2019 £'000	2018 £'000
Current tax		
Total current tax	—	—
Deferred tax		
Total deferred tax	—	—
Tax on profit	—	—

Reconciliation of tax charge:

The tax assessed for the year is different (2018: different) than the standard rate of corporation tax in the UK 19% (2018: 19%). The differences are outlined below:

	2019 £'000	2018 £'000
Profit before taxation	76,737	55,303
Profit before taxation multiplied by the standard rate of corporation tax in the UK	14,580	10,508
Effects of:		
Dividend income not chargeable for tax purposes	(12,198)	(10,508)
Transfer pricing adjustment	(422)	319
Reversal of impaired debtor not taxed	(2,379)	—
Group relief surrendered for nil charge	419	(319)
Total tax charge for the year	—	—

The standard rate of corporation tax in the UK changed from 20% to 19% with effect from 1 April 2017. Accordingly, the company's profit for this accounting year are taxed at an effective rate of 19%.

Factors that may affect future tax charges:

Finance Bill 2016 enacted provisions to reduce the main rate of UK corporation tax to 17% from 1 April 2020. However, in the March 2020 Budget it was announced that the reduction in the UK rate to 17% will now not occur and the Corporation Tax Rate will be held at 19%.

FISHER SCIENTIFIC UK HOLDING COMPANY 2

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

9 Investments

	Subsidiary undertakings £'000
Cost and net book value	
At 1 January 2019 and 31 December 2019	135,583
	2018
	£'000
Analysed as:	
Fisher Clinical Services Limited	135,583

Fixed asset investments comprise equity shares in Fisher Clinical Services Limited which is not publicly traded.

The carrying value of investments is compared to estimated recoverable amounts, represented by the value in use of the investment. The directors believe that the carrying value of the investments is supported by their underlying net assets and cash flow estimates.

The company's subsidiaries were as follows:

	Incorporated in	Share Class	Percentage held	Activity
Fisher Clinical Services Limited (Direct) *	UK	Ordinary	100%	Trading
Fisher Clinical Services Pte. Limited (Indirect) **	Singapore	Ordinary	100%	Trading
Fisher Clinical Services (Beijing) Co. Limited (Indirect) ***	China	Ordinary	100%	Trading

* registered at 3rd Floor, 1 Ashley Road, Altrincham, Cheshire, WA14 2DT, England

** registered at TMF Singapore H Pte. Ltd. 38 Beach Road, South Beach Tower, #29-11 Singapore 189767

*** registered at Floor 3/4, No. 1 Building Maohua Plant, No. 1 Nancaizhen Caidasanjie, Sunyi District, Beijing, China

Dividends were received by the company from the subsidiary undertakings during the year amounted to £64,200,000 (2018: £53,303,000).

FISHER SCIENTIFIC UK HOLDING COMPANY 2

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

10 Debtors

Debtors falling due within one year	2019 £'000	2018 £'000
Amounts owed by group undertakings	25	—

Amounts owed by group undertakings are unsecured and repayable on demand. This amount relate to the accrued interest on the loan which is described in the note below.

Debtors falling due after one year	2019 £'000	2018 £'000
Amounts owed by group undertakings	12,520	—

Included within amounts owed by group undertakings is a loan of £ 12,519,938. This loan bears interest at 12m GBP Libor + 200 bps. The loan is repayable on 5 December 2024. As at 31 December 2019, the loan had accrued unpaid interest of £24,766. The loan is not secured.

11 Creditors: amounts falling due within one year

	2019 £'000	2018 £'000
Amounts owed to group undertakings	(29,277)	(29,278)
Accruals and deferred income	(7)	—
Other creditors	—	(15)
	(29,284)	(29,293)

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

FISHER SCIENTIFIC UK HOLDING COMPANY 2

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

12 Financial Instruments

The company has the following financial instruments:

	Note	2019 £'000	2018 £'000
Financial assets that are debt instruments measured at amortised cost			
– Amounts owed by group undertakings < 1 year	10	25	—
– Amounts owed by group undertakings > 1 year	10	12,520	—
– Cash at bank and in hand		39	56
		12,584	56
Financial liabilities measured at amortised cost			
– Amounts owed to group undertakings due within one year	11	(29,277)	(29,278)
– Accruals	11	(7)	—
		(29,284)	(29,277)

13 Called up share capital

	2019 £	2018 £
Allotted and fully paid		
702,266,630 (2018: 702,266,630) ordinary shares of £0.01	7,022,666	7,022,666

During the year the company recommended and paid equity dividends of £64,200,000 (2018: £53,303,000).

14 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.

15 Related party transactions

See note 6 for disclosure of the directors' remuneration.

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

16 Controlling parties

The immediate parent undertaking is Fisher Scientific U.K. Holding Company Limited whose registered office is 3rd Floor, 1 Ashley Road, Altrincham, Cheshire WA14 2DT.

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.

FISHER SCIENTIFIC UK HOLDING COMPANY 2

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED

31 DECEMBER 2019

17 Non adjusting post balance sheet events

The COVID-19 outbreak has developed rapidly in 2020, with a significant number of infections. Measures taken by both the UK and foreign governments to contain the virus have started to impact economic activity. Thermo Fisher Scientific Inc. has taken a number of measures to monitor and prevent the effects of the COVID-19 virus such as safety and health measures for our people (social distancing, working from home etc.) and implementing additional protocols at our manufacturing sites to keep them operating safely. The group has also been granted exemptions in a number of countries to remain open as we supply critical equipment in the fight against COVID-19.

COVID-19 has had no effect on the results for the year ended 31 December 2019 and is not considered to be an adjusting post balance sheet event.

At this stage, the impact on our global business and results is limited, and as the company is a holding and intercompany financing entity the main risk faced is that of an impairment of investments or debtors. The actual performance of the investments and debtors has not increased the risk of additional impairment. The company will continue to monitor the situation and potential impact to our business.