Life Sciences International Limited

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

Company registration number: 01417123

LIFE SCIENCES INTERNATIONAL LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

Contents

LIFE SCIENCES INTERNATIONAL LIMITED

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
1 Hardman Square
Manchester
M3 3EB

LIFE SCIENCES INTERNATIONAL LIMITED

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 continues to be a holding company for a group of companies involved in the development, manufacture and supply of a wide range of scientific equipment and consumables for research, clinical and industrial markets.

The directors expect performance to continue in line with recent years.

Result and key performance indicators

The company's only activities are that of an investment in group companies. The company considers the most important attribute to be that it can finance its debt liabilities through its group. KPI analysis is neither necessary nor helpful for an understanding of the company's performance and position.

The loss for the financial year was £17,200,000 (2018: £40,052,000) which will be transferred to reserves. Included in the loss for the year are dividends received from subsidiary undertakings of £119,000,000 (2018: £nil) as well as a provision made for investments held of £90,804,000 (2018: £nil). At 31 December 2019 the company had net assets of £87,219,000 (2018: £100,562,000).

The directors consider the company to be going concern due to the ongoing support of the ultimate parent company.

Principal risks and uncertainties and financial risk management

The management of the business is subject to a number of risks including financial risk management, currency risk and interest rate cash flow 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 currency risk and interest rate cash flow risk.

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.

The key financial risk to the company is the recoverability of the value of the £595,161,986 investment in a number of subsidiaries and other investments. This risk is monitored by regular impairment reviews to ensure that the subsidiary companies have suffered no material diminution in value. Within the year, a provision for impairment of £90,804,000 was made.

Interest rate cash flow risk

The company has interest bearing liabilities. Interest bearing liabilities arise in the form of interest payable on group loans. 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.

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 January 2020 and entered into a period of transition. Until the Brexit transitional period and negotiations have concluded is it difficult to anticipate the potential impact on the company. The company continues to monitor the developments and potential impacts of Brexit.

COVID-19

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 / non-trading entity the risks are not expected to be material. The company will continue to monitor the situation and potential impact to our business.

On behalf of the Board

DocuSigned by:

Euan Cameron

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E Cameron

Director

17 December 2020

LIFE SCIENCES INTERNATIONAL LIMITED

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

The directors do not recommend the payment of a dividend (2018: £nil).

Going concern

As at 31 December 2019, the company had net current liabilities of £10,135,000 (2018: £15,921,000). Due to the nature of the company and its operations, there are limited working capital requirements to be met. Notwithstanding, the Directors have considered the cash flows of the company, taking into account expected cash flows as well as considering the terms of intercompany balances and intergroup cash pooling agreements. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of at least 12 months from the date of approving these financial statements, 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. will support the company for at least one year after these financial statements are signed. The company therefore continues to adopt the going concern basis in preparing its financial statements.

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).

LIFE SCIENCES INTERNATIONAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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

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 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.

Directors' confirmations

Each of the directors, whose names and functions are listed in the directors report confirm that, to the best of their knowledge:

- the company financial statements, which have been 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), give a true and fair view of the assets, liabilities, financial position and loss of the company; and
- the Directors' Report includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties that it faces.

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.

On behalf of the Board

DocuSigned by:
Euan Cameron
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E Cameron
Director

17 December 2020

LIFE SCIENCES INTERNATIONAL LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIFE SCIENCES INTERNATIONAL LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Life Sciences International Limited'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 loss 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

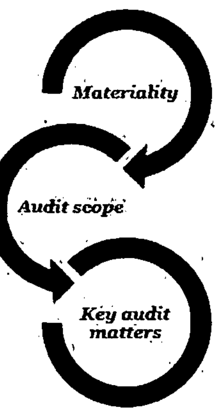
We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit 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.

Our audit approach

Overview



- Overall materiality: £6.0 million (2018: £6.8 million), based on 1% of Total Assets.
- This is the audit of a single entity and all work was undertaken by PwC UK.
- Due to the nature of the entity, being an intermediate holding company, there is limited activity, as such only one Key Audit Matter has been noted in relation to the Carrying value of investments.

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

LIFE SCIENCES INTERNATIONAL LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIFE SCIENCES INTERNATIONAL LIMITED

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Key audit matter	***How our audit addressed the key audit matter***
Recoverability of investments in subsidiaries Investments in subsidiaries amount to £595m (2018: £682m), representing 99.8% of the company's total assets. No impairment or reversal of impairment has been recognised in the year. Whilst the investments' recoverability is not considered to be a high risk of significant misstatement or subject to significant judgement, due to their materiality, investments is considered to be the area that was of most significance to the audit.	The following procedures were performed: • We have obtained management's investment impairment review to identify whether any impairment indicators exist, which focussed on the net assets of the direct and indirect subsidiaries. • When comparing the carrying amount of investments with the relevant subsidiaries' balance sheet an impairment trigger was identified due to the net assets, being an approximation of their minimum recoverable amount, being lower than their carrying amount. Two instances were identified where net assets were lower than the carrying value of investments. An impairment charge of £90.8m has been recognised in the year to recognise the shortfall of net assets in subsidiaries compared to the carrying value of the investment. No matters were identified which would indicate a material misstatement in relation to the carrying value of investments.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	£6.0 million (2018: £6.8 million).
How we determined it	1% of Total Assets.
Rationale for benchmark applied	As the entity is a holding company whose purpose is to hold investments in the UK subsidiaries of the Thermo Fisher Scientific Inc group, and also as no revenue has been, or expected, to be recognised in the entity, total assets is the most appropriate and generally accepted auditing benchmark.

We agreed with the directors that we would report to them misstatements identified during our audit above £0.3 million (2018: £0.3 million) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

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

LIFE SCIENCES INTERNATIONAL LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIFE SCIENCES INTERNATIONAL LIMITED

- 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.

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.

Kate Finn

Kate Finn (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
17 December 2020

LIFE SCIENCES INTERNATIONAL LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019
PROFIT AND LOSS ACCOUNT

	Note	Year ended 31 December	
		2019	2018
		£'000	£'000
Administrative expenses		**(40)**	(26)
Operating loss	5	**(40)**	(26)
Investment impairment	9	**(90,804)**	—
Income from group undertakings	9	**119,000**	—
Profit / (loss) before interest and taxation		**28,156**	(26)
Interest payable and similar expenses	7	**(45,356)**	(40,026)
Net interest expense	7	**(45,356)**	(40,026)
Loss before taxation		**(17,200)**	(40,052)
Tax on loss	8	**—**	—
Loss for the financial year		**(17,200)**	(40,052)

No separate statement of comprehensive income has been presented because the company has no other comprehensive income other than loss for the financial year.

LIFE SCIENCES INTERNATIONAL LIMITED

BALANCE SHEET

	Note	As at 31 December 2019 £'000	2018 £'000
Fixed assets			
Investments	9	**595,162**	682,109
		595,162	682,109
Current assets			
Debtors	10	**953**	953
		953	953
Creditors: amounts falling due within one year	11	**(11,088)**	(16,874)
Net current liabilities		**(10,135)**	(15,921)
Total assets less current liabilities		**585,027**	666,188
Creditors: amounts falling due after more than one year	12	**(497,808)**	(565,626)
Net assets		**87,219**	100,562
Capital and reserves			
Called up share capital	15	**19,595**	19,595
Share premium account		**545,031**	541,174
Accumulated losses		**(477,407)**	(460,207)
Total equity		**87,219**	100,562

The notes on pages 16 to 28 are an integral part of these financial statements.

The financial statements on pages 13 to 28 were authorised for issue by the board of directors on 17 December 2020 and were signed on its behalf

DocuSigned by:
Euan Cameron
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E Cameron

Director

Life Sciences International Limited

Company registration number: 01417123

LIFE SCIENCES INTERNATIONAL LIMITED

STATEMENT OF CHANGES IN EQUITY

	£'000 Called up share capital	£'000 Share premium account	£'000 Accumulated losses	£'000 Total equity
Balance as at 1 January 2018	19,595	541,174	(420,155)	140,614
Loss for the financial year	—	—	(40,052)	(40,052)
Total comprehensive expense for the year	—	—	(40,052)	(40,052)
Balance as at 31 December 2018	19,595	541,174	(460,207)	100,562
Balance as at 1 January 2019	19,595	541,174	(460,207)	100,562
Loss for the financial year	—	—	(17,200)	(17,200)
Total comprehensive expense for the year	—	—	(17,200)	(17,200)
Proceeds from shares issued	—	3,857	—	3,857
Total transactions with owners, recognised directly in equity	—	3,857	—	3,857
Balance as at 31 December 2019	**19,595**	**545,031**	**(477,407)**	**87,219**

LIFE SCIENCES INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General Information

Life Sciences International Limited ('the company') continues to be a holding company for a group of companies involved in the development, manufacture and supply of a wide range of scientific equipment and consumables for research, clinical and industrial markets.

The company is a private company limited by shares and is incorporated in the United Kingdom and registered in England. The address of its registered office is 3rd Floor, 1 Ashley Road, Altrincham, Cheshire, WA14 2DT.

2. Statement of compliance

The individual financial statements of Life Sciences International 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 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

As at 31 December 2019, the company had net current liabilities of £10,135,000 (2018: £15,921,000). Due to the nature of the company and its operations, there are limited working capital requirements to be met. Notwithstanding, the Directors have considered the cash flows of the company, taking into account expected cash flows as well as considering the terms of intercompany balances and intergroup cash pooling agreements. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of at least 12 months from the date of approving these financial statements, 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. will support the company for at least one year after these financial statements are signed. The company therefore continues to adopt the going concern basis in preparing its financial statements.

LIFE SCIENCES INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

3. Summary of significant accounting policies (continued)

COVID-19

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 / non-trading entity the risks are not expected to be material. The company will continue to monitor the situation and potential impact to our business.

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 17).

Consolidated financial statements

The financial statements contain information about Life Sciences International 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 18). 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.

3. Summary of significant accounting policies (continued)

Foreign currency (continued)

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 'Finance (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.

Interest expense

Interest expense is recognised using the effective interest rate method.

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.

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 only and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

3. Summary of significant accounting policies (continued)

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 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.

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.

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.

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.

LIFE SCIENCES INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

3. Summary of significant accounting policies (continued)

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.

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. There are no critical accounting judgements made during the year.

(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.

(i) 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. In 2019 the review of the investment resulted in a provision. See note 9 for the carrying amount of the investments and any associated impairment provision.

LIFE SCIENCES INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

5. Operating loss

The operating loss is stated after charging:

	2019 £'000	2018 £'000
Audit fees payable to the company's auditors	**11**	13

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 expense

Interest payable and similar expenses

	2019 £'000	2018 £'000
Interest payable on overdrafts and bank loans	**1**	—
Interest payable on other loans	**45,355**	40,026
Total interest payable and similar expenses	**45,356**	40,026

Net interest expense

	2019 £'000	2018 £'000
Total interest payable and similar expenses	**45,356**	40,026
Net interest expense	**45,356**	40,026

8. Tax on loss

Tax expense included in profit and loss:

	Note	**2019** **£'000**	2018 £'000
Current tax			
Total current tax		—	—
Deferred tax			
Total deferred tax	13	—	—
Tax on loss		—	—

Reconciliation of tax charge:

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

	2019 **£'000**	2018 £'000
Loss before taxation	**(17,200)**	(40,052)
Loss multiplied by the standard rate of corporation tax in the UK 19% (2018: 19%)	**(3,268)**	(7,610)
Effects of:		
Expenses not deductible	**17,253**	1
Transfer pricing adjustment	**7,187**	2,720
Exempt dividend income	**(22,610)**	—
Group relief surrendered for nil charge	**1,438**	4,889
Total tax charge for the year	—	—

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%. As substantive enactment is after the balance sheet date, deferred tax balances as at 31 December 2019 continue to be measured at a rate of 17%.

LIFE SCIENCES INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

9. Investments

	Other Investments	Subsidiary undertakings	Total
	£'000	£'000	£'000
Cost			
At 1 January 2019	14,667	668,599	683,266
Additions	1,759	2,098	3,857
At 31 December 2019	**16,426**	**670,697**	**687,123**
Provision for impairment			
At 1 January 2019	—	1,157	1,157
Charge for the year	—	90,804	90,804
At 31 December 2019	—	**91,961**	**91,961**
Net book value as at 31 December 2019	**16,426**	**578,736**	**595,162**
Net book value as at 31 December 2018	14,667	667,442	682,109

The other investment balance represents a 5.1% holding in the ordinary share capital of Thermo BioAnalysis Corporation, a company incorporated in the USA. The principal activity of the company is the development, manufacture and supply of a wide range of scientific instrument equipment and consumables for research, clinical and industrial markets.

In April 2019 Life Sciences International Limited contributed a loan to its direct holdings, Thermo BioAnalysis LLC and Helmet Securities Limited. This resulted in an increase of investment of £879,000 in the Thermo BioAnalysis LLC Group and £1,621,000 in Helmet Securities Limited.

On 5 May 2019 Life Sciences International Limited contributed £477,000 of cash to Helmet Securities Limited and £880,000 to Thermo BioAnalysis LLC in exchange for one ordinary share each, which were issued on 25 June 2019 resulting in increased investment in these undertakings.

As a result of the 2019 impairment review and given the dividend received from Thermo Radiometrie Limited it was required to account for a provision for impairment of £4,601,000. It was also required to account for a provision for impairment of £86,203,000 in Helmet Securities Limited to ensure the investment is held at the group net asset value. The directors believe that the carrying value of the investment is supported by the underlying net assets.

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.

Analysed as:	£'000
Thermo Radiometrie Limited	3,966
Thermo Electron Limited	15,324
Thermo Electron (Management Services) Limited Group	33,221
Thermo Optek Limited Group	111,601
Thermo Electron Weighing and Inspection Limited Group	7,038
Helmet Securities Limited	407,586
Thermo BioAnalysis LLC Group	16,426
	595,162

LIFE SCIENCES INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

9. Investments (continued)

Dividends were received during the year from the below subsidiaries (2018: £nil).

	£'000
Thermo Electron Limited	104,000
Thermo Optek Limited	5,000
Thermo Radiometrie Limited	10,000
	119,000

The company's subsidiaries were as follows:

	Incorporated in	Share Class	Percentage held	Activity
Helmet Securities Limited	UK +	Ordinary	100 %	Holding
* Life Sciences International LLC	USA +2	Ordinary	100 %	Holding
** Thermo Fisher Scientific (Asheville) LLC	USA +2	Ordinary	100 %	Manufacturing
*** Thermo Neslab LLC	USA +3	Ordinary	100 %	Manufacturing
*** Jouan LLC	USA +2	Ordinary	100 %	Manufacturing
*** Thermo Scientific Services Inc	USA +2	Ordinary	100 %	Manufacturing
*** Kendro Laboratory Products Australia PTY Ltd	Australia +4	Ordinary	100 %	Manufacturing
*** Thermo Fisher Scientific Japan Holdings II B.V.	Netherlands +5	Ordinary	100 %	Holding
*** Lab-Line Instruments Inc	USA +2	Ordinary	100 %	Manufacturing
*** Thermo Fisher Scientific (Fuji) LLC	USA +2	Ordinary	100 %	Holding
Thermo Optek Limited	UK +	Ordinary	100 %	Holding
**** VG Systems Limited	UK +	Ordinary	100 %	Manufacturing
**** Thermo Cambridge Limited	UK +	Ordinary	100 %	Holding
Thermo Radiometrie Limited	UK +	Ordinary	100 %	Holding
Thermo Electron (Management Services) Limited	UK +	Ordinary	100 %	Management services
***** Life Sciences International Holdings BV	Netherlands +5	Ordinary	100 %	Holding
****** Bioanalysis Labsystems S.A.	Spain +6	Ordinary	90 %	Manufacturing
****** Life Sciences International (Poland) SPZ	Poland +5	Ordinary	100 %	Holding
***** Thermo Ramsey Italia s.r.l.	Italy +7	Ordinary	100 %	Manufacturing
Thermo Electron Limited	UK +	Ordinary	100 %	Manufacturing
Equibio Limited	UK +	Ordinary	100 %	Dormant
Thermo Electron Weighing and Inspection Limited	UK +	Ordinary	100 %	Holding
******* Thermo Sentron Limited	UK +	Ordinary	100 %	Holding
******* Thermo Allen Coding Limited	UK +	Ordinary	100 %	Holding
Hybaid Limited	UK +	Ordinary	100 %	Dormant

9. Investments (continued)

* Investment held via Helmet Securities Limited
** Investment held via Life Sciences International LLC
*** Investment held via Thermo Fisher Scientific (Asheville) LLC
**** Investment held via Thermo Optek Limited
***** Investment held via Thermo Electron (Management Services) Limited
****** Investment held via Life Sciences International Holdings BV
******* Investment held via Thermo Electron Weighing and Inspection Limited

Registered office:
+ 3rd Floor, 1 Ashley Road, Altrincham, Cheshire, England, WA14 2DT
+2 C/O Capitol Corporate Services Inc., 1675 South State St, Ste B Dover DE 19901, USA
+3 C/O Capitol Corporate Services, Inc..1 Old Loudon Road, Concord, NH 03301, USA
+4 Level 11, 50 Queen Street, Melbourne VIC 3000 Australia
+5 Takkebijsters 1, 4817 BL Breda, the Netherlands
+6 Valportillo I, 22, 28108 Alcobendas,Madrid, Spain
+7 Strada Rivoltana, Km 6/7 - 20090, Rodano, (MI) Italy

10. Debtors

	2019	2018
	£'000	£'000
Amounts owed by group undertakings	**948**	948
Other debtors	**5**	5
	953	953

Debtors includes £nil (2018: £nil) falling due after more than one year.

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

11. Creditors: amounts falling due within one year

	2019	2018
	£'000	£'000
Bank loans and overdrafts	**—**	49
Trade creditors	**8**	—
Amounts owed to group undertakings	**11,061**	16,814
Accruals and deferred income	**19**	11
	11,088	16,874

11. Creditors: amounts falling due within one year (continued)

Cash held by group entities under the cash sweep arrangement is included under creditors as amount owed to group undertakings and amounts to £74,000 (2018: £nil). 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.

The remaining amounts owed to group undertakings of £10,987,000 (2018: £16,814,000) are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

12. Creditors: amounts falling due after more than one year

	2019 £'000	2018 £'000
Amounts falling due between one and five years		
Amounts owed to group undertakings	**497,808**	565,626

The company has issued corporate debt securities to the value of £115,495,000 (2018: £115,495,000) listed on the Cayman Islands Stock Exchange. These were subscribed for in full by group undertakings in January 2011 are unsecured, bear interest at a fixed rate of 7.2% and are repayable in full in January 2021.

On 28 November 2019, the company redeemed £484,499,000 being the fair value of the instrument outstanding and owed by another group entity based in Barbados. £102,186,451 was repaid and £382,312,462 was refinanced into a Eurobond. The Eurobond has an interest rate of 7.5% and is repayable in full in November 2024.

13. Deferred tax asset

At 31 December 2019, the company had an unrecognised deferred tax asset of £692,000 (2018: £692,000) as detailed below. The directors do not consider it appropriate to recognise a deferred tax asset at the balance sheet date due to the uncertainty of the specific timing of suitable taxable profits against which the asset would crystallise.

	2019 £'000	2018 £'000
Losses	**692**	692
Deferred tax asset	**692**	692

14. 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	10	**948**	948
– Other debtors	10	**5**	5
		953	953

LIFE SCIENCES INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

14. Financial instruments (continued)

Financial liabilities measured at amortised cost			
– Trade creditors		**8**	—
– Bank loans and overdrafts	11	**—**	49
– Amounts owed to group undertakings due within one year	11	**11,061**	16,814
– Accruals and deferred income	11	**19**	11
– Amounts owed to group undertakings due greater than one year	12	**497,808**	565,626
		508,896	582,500

Derivative financial instruments

The company has no interest rate derivative financial instruments (2018: none).

Interest on loans are disclosed in note 7.

15. Called up share capital

	2019	2018
	£	£
Allotted and fully paid		
179,940,989 (2018: 179,940,989) ordinary shares of £0.1	**17,994,099**	17,994,099
1,601,113 (2018: 1,601,111) ordinary shares of £1	**1,601,113**	1,601,111
	19,595,212	19,595,210

On 5 April 2019 1 ordinary share of £1 was issued at a premium of £2,500,000.

On 25 June 2019 1 ordinary share of £1 was issued at a premium of £1,357,000.

16. 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.

17. 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.

18. Controlling parties

The immediate parent undertaking is Thermo Electron Scientific Instruments LLC whose registered office is C/O Capitol Corporate Services Inc., 1675 South State St, Ste B Dover DE 19901.

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.

19. 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 / non-trading entity the risks are not expected to be material. The company will continue to monitor the situation and potential impact to our business.