

# Thermo Fisher Scientific Life Holdings Limited

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

Company registration number: 08792510

# **THERMO FISHER SCIENTIFIC LIFE HOLDINGS LIMITED ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

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# **THERMO FISHER SCIENTIFIC LIFE HOLDINGS 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  
141 Bothwell Street  
Glasgow  
G2 7EQ

# THERMO FISHER SCIENTIFIC LIFE HOLDINGS 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 during the year under review was that of an investment holding company.

The company is a wholly owned subsidiary of Thermo Fisher Scientific Inc. The net assets of the company at the balance sheet date were £626,459,000 (2018: £575,012,000).

There are expected to be no material changes to the operation of the company and the directors are confident that performance will continue to be in line with expectations.

During the year the company received a total dividend of £491,083,000 (2018: £960,000,000). This dividend was received in the form of cash for £239,106,000 and an intra group loan for an amount of £251,977,000.

Furthermore in 2019 the company subscribed for additional shares in Thermo Fisher Scientific Life Financing Limited. The subscription satisfied the obligation using an existing intercompany loan which was received earlier as a dividend from another investment.

### **Key performance indicators and principal risks and uncertainties**

The company's only activity is that of investing in group companies. The company provides support to group companies as required.

As an intermediate holding company, its performance is not measured separately from the group as a whole and therefore KPI analysis is neither necessary nor helpful.

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

The management of the business is subject to a number of risks including financial, currency 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.

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 key financial risk to the company is the recoverability of the value of the £1,965,080,000 investment in a number of subsidiaries. This risk is mitigated by regular impairment reviews to ensure that the subsidiary companies have suffered no material diminution in value. This resulted in a provision for impairment in 2019 of £249,229,000 (2018: £nil).

#### *Currency risk*

The company has limited exposure to currency risk as a result of its operations because its debts as well as its investments are mainly in GBP currency.

# THERMO FISHER SCIENTIFIC LIFE HOLDINGS LIMITED

## STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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

#### *Interest rate cash flow risk*

The company has both interest bearing assets and interest bearing liabilities. Interest bearing assets relate only to bank balances. 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. The interest rate risk is limited because the interest bearing debts all bear a fixed interest rate.

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 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 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 company the main risk faced is that of an impairment of investments. The actual performance of the investments 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:  
  
 231F19E0E41048D...  
 E Cameron

Director

31/3/2021

# **THERMO FISHER SCIENTIFIC LIFE HOLDINGS 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 recommended and paid a dividend of £239,107,000 (2018: £845,769,000).

### **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 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.

### **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.

### **Post balance sheet events**

Disclosures relating to these areas are included in the strategic 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.

# THERMO FISHER SCIENTIFIC LIFE HOLDINGS LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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

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

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and 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.

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.

On behalf of the Board

DocuSigned by:  
  
 231F19E0E41048D...  
 E Cameron  
**Director**

31/3/2021

# THERMO FISHER SCIENTIFIC LIFE HOLDINGS LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THERMO FISHER SCIENTIFIC LIFE HOLDINGS LIMITED

### Report on the audit of the financial statements

#### Opinion

In our opinion, Thermo Fisher Scientific Life Holdings 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 Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

#### Basis for opinion

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

#### Independence

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

#### Our audit approach

##### Overview



- Overall materiality: £19,669,000 (2018: £19,642,000), based on 1% of Total Assets.
- The scope of our work covered all material accounts and balances within the entity.
- As the entity is a holding company with limited activity, we have considered it appropriate for there to be one Key audit matter in respect of the Carrying value of investments in subsidiaries.

#### 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.

#### 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.



# THERMO FISHER SCIENTIFIC LIFE HOLDINGS LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

### THERMO FISHER SCIENTIFIC LIFE HOLDINGS LIMITED

<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
<p><i>Carrying value of investments in subsidiaries</i></p> <p>Investments in subsidiaries amount to £1,965,080,000 (2018: £1,962,333,000), representing 99.9% of the company's total assets.</p> <p>An impairment charge of £249,229,000 was recorded during the year.</p> <p>The carrying value of investments in subsidiaries is considered to be an area of significant risk.</p>	<p>We obtained management's investment impairment review to identify whether any impairment indicators existed, which initially focussed on the net assets of the direct subsidiaries. When comparing the carrying amount of investments with the relevant subsidiaries' balance sheet an impairment trigger was identified for both investments due to the net assets being lower than the carrying amount.</p> <p>As a result, the investment in Thermo Fisher Scientific Life Financing Limited, a non trading entity, was written down to the underlying net asset value. We have reviewed the associated disclosure and consider this to be appropriate.</p> <p>In order to assess the carrying value of Life Technologies Limited, we obtained management's value in use model which demonstrated a significant amount of headroom. The model used 2019 cash flows as a base, with an annual growth rate applied, and a terminal value calculation.</p> <p>Our procedures included the following:</p> <ul style="list-style-type: none"> <li>• Corroborating the base cash flows to signed 2019 financial statements;</li> <li>• Assessing the reasonableness of the growth rate through a look back test and the current performance of the business;</li> <li>• Considering the appropriateness of the discount rate applied; and</li> <li>• Assessing the impact of reasonably possible changes in assumptions through performing sensitivities.</li> </ul> <p>No matters were identified which would indicate a material misstatement in relation to the carrying value of investments.</p>
<p><i>Impact of COVID 19</i></p> <p>COVID 19 was declared a global pandemic by the WHO in March 2020. It has caused significant disruption and uncertainty globally.</p> <p>Management has assessed the impact on the entity in consideration of the fact that it does not have any employees and does not generate cashflows. It has been determined that it is a non adjusting post balance sheet event and the only potential risk is going concern.</p>	<p>We have considered management's assessment and agree that in respect of the 31 December 2019 financial statements, the only potential risk is going concern. Our conclusions on going concern are stated elsewhere in this opinion.</p> <p>We have reviewed the disclosures made with regard to the impact of the pandemic and consider them to be appropriate.</p>
<p><i>How we tailored the audit scope</i></p> <p>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.</p>	
<p><i>Materiality</i></p> <p>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.</p> <p>Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:</p>	

# THERMO FISHER SCIENTIFIC LIFE HOLDINGS LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

# THERMO FISHER SCIENTIFIC LIFE HOLDINGS LIMITED

<b>Overall materiality</b>	£19,669,000 (2018: £19,642,000).
<b>How we determined it</b>	1% of Total Assets.
<b>Rationale for benchmark applied</b>	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 £983,000 (2018: £982,000) 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
- 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.

# **THERMO FISHER SCIENTIFIC LIFE HOLDINGS LIMITED INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THERMO FISHER SCIENTIFIC LIFE HOLDINGS LIMITED**

## *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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

## *Use of this report*

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

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## **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

**THERMO FISHER SCIENTIFIC LIFE HOLDINGS LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER**  
**2019**  
**PROFIT AND LOSS ACCOUNT**

		<b>Year ended</b> <b>31 December</b>	
	<b>Note</b>	<b>2019</b> <b>£'000</b>	<b>2018</b> <b>£'000</b>
Administrative expenses		<b>(58)</b>	—
<b>Operating loss</b>	<b>5</b>	<b>(58)</b>	—
Income from shares in group undertakings	9	<b>239,106</b>	960,000
Provision for impairment		<b>(249,229)</b>	—
<b>(Loss) / profit before interest and taxation</b>		<b>(10,181)</b>	960,000
Interest receivable and similar income	7	<b>13</b>	1,727
Interest payable and similar expenses	7	<b>(76,430)</b>	(75,524)
Net interest expense	7	<b>(76,417)</b>	(73,797)
<b>(Loss) / profit before taxation</b>		<b>(86,598)</b>	886,203
Tax on (loss) / profit	8	—	—
<b>(Loss) / profit for the financial year</b>		<b>(86,598)</b>	886,203

# THERMO FISHER SCIENTIFIC LIFE HOLDINGS LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

		Year ended 31 December	
	note	2019 £'000	2018 £'000
<b>(Loss) / profit for the financial year</b>		<b>(86,598)</b>	886,203
<b>Other comprehensive result:</b>			
Unrealised dividend income	9	251,977	—
<b>Other comprehensive result for the year, net of tax</b>		<b>251,977</b>	—
<b>Total comprehensive income for the year</b>		<b>165,379</b>	886,203

# THERMO FISHER SCIENTIFIC LIFE HOLDINGS LIMITED

## BALANCE SHEET

		As at 31 December	
	Note	2019 £'000	2018 £'000
<b>Fixed assets</b>			
Investments	9	1,965,080	1,962,333
<b>Current assets</b>			
Cash at bank and in hand		1,854	1,884
		1,854	1,884
<b>Creditors: amounts falling due within one year</b>	10	(71,286)	(33,949)
<b>Net current liabilities</b>		(69,432)	(32,065)
<b>Total assets less current liabilities</b>		1,895,648	1,930,268
Creditors: amounts falling due after more than one year	11	(1,269,189)	(1,355,256)
<b>Net assets</b>		626,459	575,012
<b>Capital and reserves</b>			
Share premium account	13	125,175	—
Retained earnings		501,284	575,012
<b>Total equity</b>		626,459	575,012

The notes on pages 16 to 26 are an integral part of these financial statements.

The financial statements on pages 12 to 26 were authorised for issue by the board of directors on 31/3/2021 and were signed on its behalf

DocuSigned by:  
  
 231F10E0E41048D  
 E Cameron

### Director

Thermo Fisher Scientific Life Holdings Limited

Company registration number: 08792510

# THERMO FISHER SCIENTIFIC LIFE HOLDINGS LIMITED

## STATEMENT OF CHANGES IN EQUITY

	Note	Called up share capital £'000	Share premium account £'000	(Accumulated losses) / Retained earnings £'000	Total equity £'000
Balance as at 1 January 2018		—	620,301	(201,487)	418,814
Profit for the financial year		—	—	886,203	886,203
Total comprehensive income for the year		—	—	886,203	886,203
Capital contribution		—	115,764	—	115,764
Share premium cancellation		—	(736,065)	736,065	—
Dividends paid	13	—	—	(845,769)	(845,769)
Total transactions with owners, recognised directly in equity		—	(620,301)	(109,704)	(730,005)
Balance as at 31 December 2018		—	—	575,012	575,012
Balance as at 1 January 2019		—	—	575,012	575,012
Loss for the financial year		—	—	(86,598)	(86,598)
Other comprehensive income for the year		—	—	251,977	251,977
Total comprehensive income for the year		—	—	165,379	165,379
Proceeds from shares issued	13	—	125,175	—	125,175
Dividends paid	13	—	—	(239,107)	(239,107)
Total transactions with owners, recognised directly in equity		—	125,175	(239,107)	(113,932)
<b>Balance as at 31 December 2019</b>		<b>—</b>	<b>125,175</b>	<b>501,284</b>	<b>626,459</b>

# **THERMO FISHER SCIENTIFIC LIFE HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED**

### **31 DECEMBER 2019**

#### **1. General Information**

Thermo Fisher Scientific Life Holdings Limited ('the company') is an investment holding company. The company is a private limited company incorporated in the United Kingdom and registered in England (registered number 08792510), and the registered office is the 3<sup>rd</sup> Floor, 1 Ashley Road, Altrincham, Cheshire, WA14 2DT.

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

The individual financial statements of Thermo Fisher Scientific Life Holdings 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**

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 15).



# **THERMO FISHER SCIENTIFIC LIFE HOLDINGS LIMITED**

## **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 Thermo Fisher Scientific Life Holdings 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 16). 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.

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'.

#### **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.

# **THERMO FISHER SCIENTIFIC LIFE HOLDINGS LIMITED**

## **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 include cash in hand and deposits held at call with banks.

##### **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.

# **THERMO FISHER SCIENTIFIC LIFE HOLDINGS LIMITED**

## **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.

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.

##### **Share capital**

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

##### **Share Premium**

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

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

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

# **THERMO FISHER SCIENTIFIC LIFE HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED**

### **31 DECEMBER 2019**

#### **3. Summary of significant accounting policies (continued)**

##### **Income from shares**

Income from shares is recognised when the right to receive payment is established.

Dividend income which is not received in the form of qualifying consideration, for example, cash, cash equivalents, or debtor balances which are settled within a reasonable timeframe, is not realised and therefore recognised in Other Comprehensive Income.

##### **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.

##### **(i) 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.

##### **(ii) Investment recoverability**

Investments are stated at cost less any provision for impairment. These assets are reviewed for impairment on an annual basis by the directors, comparing the carrying value of the acquired assets with their value in use assessed by reference to net assets or projected future cash flows applying appropriate discount rate and growth assumptions. The review for 2019 resulted in an impairment of £ 249,229,000 (2018: £nil)

#### **5 Operating loss**

The audit fee for the company is £15,000 (2018: £11,000). The 2018 fee has been borne by another group company.

#### **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.

# THERMO FISHER SCIENTIFIC LIFE HOLDINGS LIMITED

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

### 7 Net interest expense

#### Interest receivable and similar income

	2019 £'000	2018 £'000
Bank interest receivable	13	1,727
<b>Total interest receivable and similar income</b>	<b>13</b>	<b>1,727</b>

#### Interest payable and similar expenses

	2019 £'000	2018 £'000
Interest payable on amounts owed to group undertakings	76,430	75,524
Total interest expense on financial liabilities not measured at fair value through profit or loss	76,430	75,524
<b>Total interest payable and similar expenses</b>	<b>76,430</b>	<b>75,524</b>

#### Net interest expense

	2019 £'000	2018 £'000
Total interest receivable and similar income	13	1,727
Total interest payable and similar expenses	(76,430)	(75,524)
<b>Net interest expense</b>	<b>(76,417)</b>	<b>(73,797)</b>

# THERMO FISHER SCIENTIFIC LIFE HOLDINGS LIMITED

## 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
<b>Current tax</b>		
Total current tax	—	—

#### Reconciliation of tax charge:

The tax assessed for the years 2019 and 2018 is different than the standard rate of corporation tax in the UK 19% (2018: 19%). The differences are outlined below:

	2019 £'000	2018 £'000
<b>(Loss) / profit before taxation</b>	<b>(86,598)</b>	886,203
(Loss) / profit before taxation multiplied by the standard rate of corporation tax in the UK	<b>(16,454)</b>	168,379
<b>Effects of:</b>		
Income not taxable	<b>(45,430)</b>	(182,400)
Expenses not deductible	<b>47,354</b>	—
Tax rate changes	—	(890)
Transfer price adjustments	<b>4,076</b>	8,918
Group relief surrendered for nil charge	<b>10,454</b>	13,558
Adjustments in respect of previous periods	—	(7,565)
<b>Total tax charge for the year</b>	<b>—</b>	—

#### Factors that may affect future tax charges:

In the March 2021 Budget it was announced that legislation will be introduced in Finance Bill 2021 to increase the main rate of UK corporation tax from 19% to 25%, effective 1 April 2023.

# THERMO FISHER SCIENTIFIC LIFE HOLDINGS LIMITED

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

### 9 Investments

	Subsidiary undertakings £'000
<b>Cost and net book value</b>	
At 1 January 2019	1,962,333
Additions	251,976
<b>At 31 December 2019</b>	<b>2,214,309</b>
<b>Provision for impairment</b>	
At 1 January 2019	—
Charge for the year	249,229
<b>At 31 December 2019</b>	<b>249,229</b>
 Net book value	
At 31 December 2018	1,962,333
<b>At 31 December 2019</b>	<b>1,965,080</b>
 Analysed as:	
Life Technologies Limited	1,962,333
Thermo Fisher Scientific Life Financing Limited	2,747
	<b>1,965,080</b>

Fixed asset investments comprise equity shares in Life Technologies Limited and Thermo Fisher Scientific Life Financing Limited which are not publicly traded.

Dividends in total of £491,083,000 were received from subsidiary undertakings during the year. (2018: £960,000,000). This dividend was received in the form of cash for £239,106,000 and an intra group loan for an amount of £251,977,000.

On 25 November 2019 the company subscribed in cash for an additional share in Thermo Fisher Scientific Life Financing Limited for an amount of £ 251,976,000.

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. As a result of the 2019 investment review a provision was made of £ 249,229,000 against the carrying value of Thermo Fisher Scientific Life Financing Limited (2018: £ nil).

The company's subsidiaries were as follows:

	Incorporated in	Share Class	Percentage held	Activity
Life Technologies Limited (Direct) *	UK	Ordinary	100 %	Trading
Matrix Microscience Limited (Indirect)*	UK	Ordinary	100 %	Dormant
Thermo Fisher Scientific Life Financing Limited (Direct) *	UK	Ordinary	100 %	Holding
Thermo Fisher Scientific AU Limited (Indirect) *	UK	Ordinary	100 %	Financing

\* registered address is at 3rd Floor 1 Ashley Road, Altrincham, Cheshire, United Kingdom, WA14 2DT

# THERMO FISHER SCIENTIFIC LIFE HOLDINGS LIMITED

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

### 10 Creditors: amounts falling due within one year

	2019 £'000	2018 £'000
Amounts owed to group undertakings	71,271	33,949
Accruals and deferred income	15	—
	<b>71,286</b>	<b>33,949</b>

Details of the amounts owed to group undertakings which are unsecured are detailed in note 11.

### 11 Creditors: amounts falling due after more than one year

	2019 £'000	2018 £'000
<b>Amounts falling due between one and five years</b>		
Amounts owed to group undertakings	1,269,189	1,355,256

The company had issued corporate debt securities to the value of £1,239,493,000 (2018: £1,355,256,000) listed on the Cayman Islands Stock Exchange. These consist of 2 loans (2018: 3 loans):

The first note, issued on February 3, 2014, of £919,963,000 is due for repayment on 19 November 2021. The note is unsubordinated and unsecured and attracts an interest rate of 5.75% per annum. The interest is payable annually in arrears and as at the 31 December 2019 £52,898,000 (2018: £22,041,000) of interest had been accrued on the loan note. The loan interest on this loan is included as amounts falling due within one year. The capital amount is included as amounts falling due in more than one year.

The second note, issued on November 19, 2014, of £319,530,000 is due for repayment on 18 November 2024. The note was unsubordinated and unsecured and attracted an interest rate of 5.75% per annum. Interest is payable annually in arrears and as at the 31 December 2019 £18,373,000 (2018: £7,655,000) of interest had been accrued on the loan note and this sum is again included as amounts falling due within one year as the accrued interest on both loan notes is payable on demand and unsecured.

The third note, issued on May 11, 2018, of £115,763,000 was settled and delisted during 2019. This note was unsubordinated and unsecured and attracted an interest rate of 5.75% per annum. Interest payable as at the 31 December 2019 £ nil (2018: £4,253,000) of interest had been accrued on the loan note and this sum is again included as amounts falling due within one year as the accrued interest on both loan notes is payable on demand and unsecured.

Beside the issued corporate debt securities the amounts owed to group undertakings include 2 interest free loans:

The first interest free loan for an amount of £22,041,000 expires 19 November 2021.  
The second interest free loan for an amount of £7,655,000 expires 18 November 2024

There is no material difference between the amortised cost, using the effective interest rate method and the straight line method.



# THERMO FISHER SCIENTIFIC LIFE HOLDINGS LIMITED

## 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 liabilities measured at amortised cost			
– Amounts owed to group undertakings due within one year	10	71,271	33,949
– Other creditors	10	15	—
– Amounts owed to group undertakings due greater than one year	11	1,269,189	1,355,256
		<b>1,340,475</b>	1,389,205

### Derivative financial instruments

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

Interest on loans is disclosed in note 7.

### 13 Called up share capital

	2019 £	2018 £
Allotted and fully paid		
6 (2018: 5) ordinary shares of £1	6	5

### Share premium

	Share premium account
	£'000
Balance as at 1 January 2019	—
Proceeds from share issue	125,175
<b>Balance as at 31 December 2019</b>	<b>125,175</b>

In 2019 the company issued 1 ordinary share at a premium of £125,175,000. (2018: £115,764,000)

On the 25 November 2019 the company passed, in compliance with the requirements of the Companies Act 2006, a written resolution cancelling the share premium account and transferring the share premium amounts to distributable reserves.

### Dividend distribution

During 2019 the company paid a dividend to its shareholder for an amount of £239,107,000 (2018: £845,769,000)

# **THERMO FISHER SCIENTIFIC LIFE HOLDINGS LIMITED**

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

### **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 Thermo Fisher Scientific Life technologies Investment UK II 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.

### **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 company the main risk faced is that of an impairment of investments. The actual performance of the investments has not increased the risk of additional impairment. The company will continue to monitor the situation and potential impact to our business.

### **18 Subsequent events**

On 23 December 2019 the board of directors approved a contribution to be made on 1 January 2020 from its parent entity of an intercompany loan note in the principal amount of AUD191,509,000. In consideration of this contribution the board of directors approved the allotment on 1 January 2020, credited as fully paid, of one new ordinary share of £1, at a premium of AUD191,509,000.

On 23 December 2019 the board of directors approved a contribution to be made on 2 January 2020 to its investment Thermo Fisher Scientific AU limited of the intercompany loan note received on 1 January 2020. In consideration of this contribution the company received a new ordinary share of £1, at a premium of AUD191,509,000.