

Avocado Research Chemicals Limited

Annual report and financial statements for the year ended 31 December 2018

Company registration number: 02682211



AVOCADO RESEARCH CHEMICALS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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AVOCADO RESEARCH CHEMICALS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Directors

A Smith
E Cameron
L Grant
D Norman
J Butterfield

Company Secretary

Oakwood Company Secretary Limited
R Gregg

Registered office

3rd Floor
1 Ashley Road
Altrincham
WA14 2DT

Bankers

Barclays Bank
1 Churchill Place
London
E14 5HP

Solicitors

Addleshaw Goddard
100 Barbirolli Square
Manchester
M2 3AB

Independent auditors

PricewaterhouseCoopers LLP
1 Hardman Square
Manchester
M3 3EB

AVOCADO RESEARCH CHEMICALS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their Strategic Report on the company for the year ended 31 December 2018.

Review of the business and future developments

The directors are satisfied with the performance in the year as the business performed consistently with turnover remaining stable at £23,615,000 (2017: £24,345,000).

The directors expect to see continued operational growth in 2019, and in the future given improving market conditions this is expected result in improvement on the 2018 results.

The company will continue to operate within its existing markets for the foreseeable future.

The company continues to invest in research and development. This is expected to maintain and expand the company's firm positioning in the market. Research and development expenditure during the year was £124,000 (2017: £223,000).

Key performance indicators (KPI's)

The directors believe that the key performance indicators ('KPIs') are revenue growth and profitability.

Total revenue has decreased from £24,345,000 in 2017 to £23,615,000 in 2018, as a result of weak demand in the specialist chemical sector but concentrating on core sourcing & manufacturing capabilities helped offset against strong aggressive competition. This enabled the business to maintain steady growth within its core business revenue stream for the year.

The profit for the financial year was £3,418,000 (2017: profit of £3,035,000) which will be transferred to reserves.

Cost of sales has decreased at a proportionally lower rate than revenue resulting in a increase in gross profit margins to 27% (2017: 25%).

Total operating margins increased in relation to sales to 14% (2017: 13%). Margins have remained broadly consistent with the prior period numbers.

Average employee numbers Increased to 124 (2017: 122) in the year.

Net assets at 31 December 2018 were £29,906,000 (2017: £26,487,000).

Principal risks and uncertainties

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

Commercial risk

The company continues to improve its services in order to maintain and develop its market place penetration as evidenced by the investment in research and development of new products.

Financial risk management

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

AVOCADO RESEARCH CHEMICALS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Financial risk management (continued)

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.

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.

Price risk

The company is exposed to commodity price risk as a result of its operations. However, given the size of the company's operations, the costs of managing exposure to commodity price risk exceed any potential benefits. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is continually reviewed by the senior management team.

Currency risk

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

Interest rate cash flow risk

The company has both interest bearing assets and interest-bearing liabilities. Interest bearing assets include cash balances and on group loans, all of which earn interest at fixed and variable rates. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature. Interest payable is on bank loans and overdrafts and therefore management of cash flows is taken account of as part of the group's financing activity.

Brexit

On 23 June 2016 a referendum was held and the outcome of the vote determined that the United Kingdom would leave the European Union. At the time of the signing of the statutory financial statements the details of how the United Kingdom will leave the European Union, and its effect on the financial markets, are unclear and as such it is not possible to estimate the impact of this event. The company continues to monitor the developments and potential impacts of Brexit.

AVOCADO RESEARCH CHEMICALS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

On behalf of the board

A handwritten signature in black ink, appearing to read 'E Cameron', written in a cursive style.

E Cameron

Director

20 September 2019

AVOCADO RESEARCH CHEMICALS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the audited financial statements of the company for the year ended 31 December 2018.

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 (2017: £nil).

Financial risk management and research and development

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 (Appointed 12th November 2018)
E Cameron (Appointed 31st October 2018)
J Butterfield (Appointed 28th February 2019)
D Norman
N Ince (Resigned 31st October 2018)

Third party indemnity provision

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

Research and development

The company encourages research and development investment. Research and development programmes are managed to obtain a balance between improvements to existing products and development of new products. Research and development costs during the year were £124,000 (2017: £223,000).

Statement of Directors' Responsibilities

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).

AVOCADO RESEARCH CHEMICALS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Statement of Directors' Responsibilities (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

The directors consider that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's position and performance, business model and strategy

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.

AVOCADO RESEARCH CHEMICALS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Going Concern

The company meets its day-to-day working capital requirements through its bank facilities. The current economic conditions continue to create uncertainty over (a) the level of demand for the company's products; and (b) the availability of bank finance for the foreseeable future. The company's forecasts and predictions, taking account of reasonably possible changes in trading performance, show that 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.

Independent Auditors

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

On behalf of the board



E Cameron
Director

20 September 2019

independent auditors' report to the members of Avocado Research Chemicals Limited

Report on the audit of the financial statements

Opinion

In our opinion, Avocado Research Chemicals Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2018; the Profit and Loss account, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- 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.

We have nothing to report in respect of the above matters.

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. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

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.

Independent auditors' report to the members of Avocado Research Chemicals Limited

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 2018 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, 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.

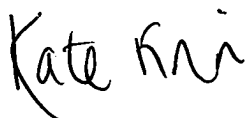
Other required reporting

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 (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester

23 September 2019

AVOCADO RESEARCH CHEMICALS LIMITED

PROFIT AND LOSS ACCOUNT

	Note	2018 £'000	2017 £'000
Turnover	5	23,615	24,345
Cost of sales		(17,124)	(18,327)
Gross profit		6,491	6,018
Distribution costs		(1,452)	(1,272)
Administrative expenses		(1,812)	(1,672)
Exceptional items	6	—	(54)
Operating profit	6	3,227	3,020
Profit before interest and taxation		3,227	3,020
Net interest income		7	—
Profit before taxation		3,234	3,016
Tax on profit	8	184	19
Profit for the financial year		3,418	3,035

Results in the current and previous financial year are from continuing operations only.

AVOCADO RESEARCH CHEMICALS LIMITED

BALANCE SHEET

	Note	2018 £'000	2017 £'000
Fixed assets			
Intangible assets	10	68	169
Tangible assets	11	6,030	6,242
		6,098	6,411
Current assets			
Inventories	12	9,129	9,341
Debtors	13	15,881	13,021
Cash at bank and in hand		1,436	2,095
		26,446	24,457
Creditors: amounts falling due within one year	14	(2,565)	(4,381)
Net current assets		23,881	20,076
Total assets less current liabilities		29,979	26,487
Net assets		29,979	26,487
Capital and reserves			
Called up share capital	18	23,015	23,015
Share premium account		1	1
Retained earnings		6,963	3,471
Total equity		29,979	26,487

The notes on pages 15 to 36 are an integral part of these financial statements.

The financial statements on pages 12 to 36 were authorised for issue by the board of directors on 20 September 2019 and were signed on its behalf



E Cameron

Director

Avocado Research Chemicals Limited

Company registration number: 02682211

AVOCADO RESEARCH CHEMICALS LIMITED

STATEMENT OF CHANGES IN EQUITY

	£'000 Called-up share capital	£'000 Share premium account	£'000 Retained earnings ¹	£'000 Total equity
Balance as at 1 January 2017	23,015	1	333	23,349
Profit for the financial period	—	—	3,035	3,035
Charge from parent for total transactions with owners, recognised directly in equity	—	—	103	103
Total comprehensive income for the period	—	—	3,138	3,138
Balance as at 31 December 2017	23,015	1	3,471	26,487
Balance as at 1 January 2018	23,015	1	3,471	26,487
Profit for the financial year	—	—	3,418	3,418
Total comprehensive income for the year	—	—	3,418	3,418
Charge from parent for total transactions with owners, recognised directly in equity	—	—	74	74
Total transactions with owners, recognised directly in equity	—	—	74	74
Balance as at 31 December 2018	23,015	1	6,963	29,979

¹ Retained earnings represents accumulated comprehensive income for the current financial year and prior financial year plus share-based payments adjustments and related tax credits, charges from the parent company for share-based payments less dividends paid.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2018**

1. General Information

Avocado Research Chemicals Limited ('the company') principal activity is the manufacture and retail of research chemicals. The company has one manufacturing plant in the UK and sells primarily to UK, the rest of Europe & Asia Pacific. The company is a private company limited by shares and is incorporated in England and Wales, United Kingdom. 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 Avocado Research Chemicals Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102") and the Companies Act 2006, under the provision of the Large and Medium-size Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410).

3. 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.

Basis of preparation

These financial statements have been prepared on a going concern basis, under the historical cost convention.

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

Going Concern

The company meets its day-to-day working capital requirements through its bank facilities. The current economic conditions continue to create uncertainty over (a) the level of demand for the company's products; and (b) the availability of bank finance for the foreseeable future. The company's forecasts and predictions, taking account of reasonably possible changes in trading performance, show that 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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2018**

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 publically 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 20).

Key Management Compensation

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

Foreign currency

- (i) Functional and presentation currency

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

- (ii) Transactions and balances

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

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

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are 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 'Other operating (losses) / gains'.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2018**

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount received for goods supplied or services rendered, net of returns, discounts and rebates allowed by the company and value added taxes. Revenue on services provided is recognised to the extent that contractual obligations to customers have been fulfilled.

Amounts in respect of service and/or warranty contracts where the company provides a service or has warranty obligations to customers over a period are deferred to the balance sheet and recognised as revenue on a straight line basis over the period to which the contracts relate.

Amounts in respect of licensing agreements are deferred to the balance sheet and recognised as revenue on a straight line basis over the period to which the agreement relates.

The company bases its estimate of returns on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Where the consideration receivable in cash or cash equivalents is deferred, and the arrangement constitutes a financing transaction, the fair value of the consideration is measured as the present value of all future receipts using the imputed rate of interest.

The company recognises revenue from the sale of goods when all the following conditions are satisfied:

- (a) the entity has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (c) the amount of revenue can be measured reliably;
- (d) it is probable that the economic benefits associated with the transaction will flow to the entity; and
- (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income

Interest income is recognised using the effective interest rate method.

Employee benefits

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

- (i) Short term benefits

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

- (ii) Defined contribution pension plans

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2018**

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

Annual bonus plan

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

Share-based payments

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

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

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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2018****Intangible assets***Software Costs*

Software costs, recognised as tangible assets under old UK GAAP, are stated at cost and are amortised over their useful life of between 2 and 8 years. Amortisation is charged to "Administrative expenses" in the Profit and Loss account.

Tangible assets

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

Land and buildings

Land and buildings are stated at cost (or deemed cost for land and buildings held at valuation at the date of transition to FRS 102) less accumulated depreciation and accumulated impairment losses.

The difference between depreciation based on the deemed cost charged in the profit and loss account and the asset's original cost is transferred from revaluation reserve to retained earnings.

Plant and machinery and fixtures, fittings, tools and computer equipment

Plant and machinery and fixtures, fittings, tools and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation and residual values

Freehold land is not depreciated

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

Freehold land and buildings and lease hold improvements	- 40 years
Plant and machinery	- 7 to 10 years
Fixtures, fittings and computer equipment	- 3 to 10 years

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

Subsequent additions and major components

Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the company and the cost can be measured reliably.

The carrying amount of any replaced component is derecognised. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2018**

Assets in the course of construction

Assets under the course of construction are depreciated when they first come into use.

Derecognition

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss and included in 'Other operating (losses)/gains'.

Finance leased assets

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Where the implicit rate cannot be determined the company's incremental borrowing rate is used. Incremental direct costs, incurred in negotiating and arranging the lease, are included in the cost of the asset.

Assets are depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date.

The capital element of lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

Operating leased assets

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

Lease incentives

Incentives received to enter into a finance lease reduce the fair value of the asset and are included in the calculation of present value of minimum lease payments.

Incentives received to enter into an operating lease are credited to the profit and loss account, to reduce the lease expense, on a straight-line basis over the period of the lease.

The company has taken advantage of the exemption in respect of lease incentives on leases in existence on the date of transition to FRS 102 (1 January 2014) and continues to credit such lease incentives to the profit and loss account over the period to the first review date on which the rent is adjusted to market rates.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2018**

Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Inventories are recognised as an expense in the period in which the related revenue is recognised.

Inventories (continued)

Cost is determined on the first-in, first-out (FIFO) method. Cost includes the purchase price, including taxes and duties and transport and handling directly attributable to bringing the inventory to its present location and condition. The cost of manufactured finished goods and work in progress includes design costs, raw materials, direct labour and other direct costs and related production overheads (based on normal operating capacity).

At the end of each reporting period inventories are assessed for impairment. If an item of inventory is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the profit and loss account. Where a reversal of the impairment is recognised the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the profit and loss account.

Cash and cash equivalents

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

Provisions and contingencies

Provisions

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

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

In particular:

(i) Restructuring provisions are recognised when the company has a detailed, formal plan for the restructuring and has raised a valid expectation in those affected by either starting to implement the plan or announcing its main features to those affected and therefore has a legal or constructive obligation to carry out the restructuring; and

(ii) Provision is not made for future operating losses.

(iii) Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2018**

Contingencies

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

Contingencies (continued)

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

Financial instruments

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

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, 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 year 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.

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 publically 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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2018**

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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.

Preference shares, which result in fixed returns to the holder or are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in the profit and loss account as interest expense.

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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments.

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

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

Offsetting

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

Share capital

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

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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2018**

Related party transactions

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

4. Critical accounting judgements and estimation uncertainty

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

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

(i) Share-based payments

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

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

(b) Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 10 for the carrying amount of the property plant and equipment, and note 3 for the useful economic lives for each class of assets.

(ii) Inventory provisioning

The company manufactures and sells research chemicals. As a result it is necessary to consider the recoverability of the cost of inventory and the associated provisioning required. When calculating the inventory provision, management considers the nature and condition of the inventory, as well as applying assumptions around anticipated sale ability of finished goods and future usage of raw materials. See note 11 for the net carrying amount of the inventory and associated provision.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2018**

(iii) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 1.2 for the net carrying amount of the debtors and associated impairment provision.

5. Turnover

Turnover by geography	2018	2017
	£'000	£'000
United Kingdom	8,110	8,850
Rest of Europe	4,474	4,420
Rest of World	11,031	11,075
	23,615	24,345

Turnover by nature	2018	2017
	£'000	£'000
Sales of goods	23,615	24,345
	23,615	24,345

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2018

6. Operating profit

The operating profit is stated after charging/(crediting):

	Note	2018 £'000	2017 £'000
Wages and salaries		4,464	4,026
Social security costs		253	489
Other pension costs	15	260	286
Share-based payments		74	71
Staff costs		5,051	4,872
Reorganisation expense		—	54
Reversal of impairment of trade receivables	13	(1)	(5)
Amortisation of intangible assets (included in 'administrative expenses')	10	126	165
Inventory recognised as an expense		12,775	13,689
Reversal of impairment of inventory (included in 'cost of sales')		(57)	(767)
Operating lease charges			
- Plant and Machinery		31	18
Depreciation of tangible fixed assets	11		
- Owned assets		596	546
Foreign exchange (gain) / loss		(43)	75
Audit fees payable to the company's auditors		27	24
Research and development expenditure		124	223

Exceptional items	2018	2017
	£'000	£'000

During the year the company had the following exceptional items:

Cost of fundamental reorganisation	—	54
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Cost of fundamental reorganisation relate mainly to redundancy payments incurred in connection with continued reorganisation of the business.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2018**

7. Employees and directors

By activity	2018	2017
	Number	Number
Average monthly numbers of persons employed (including directors) by the company during the year was:		
Sales and marketing	10	12
Manufacturing	99	90
Research and development	1	4
Administration	14	16
	124	122

Directors

Directors' emoluments represent an allocation of their services to this company. Directors' emoluments were borne by another group company, Thermo Electron (Management Services) Limited.

	2018	2017
	£'000	£'000
Aggregate emoluments	5	5
Aggregate amounts (including shares) receivable under long-term incentive schemes	2	—
	7	5

Retirement benefits accrued to no directors (2017: no directors) under a defined benefit scheme. Retirement benefits accrued to 4 (2017: 3) directors under a money purchase pension scheme.

During the year 3 directors (2017: 2 directors) exercised options over shares of Thermo Fisher Scientific Inc.

In 2018 4 (2017: 3) directors were entitled to shares under a long-term incentive scheme.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2018

8. Tax on profit on ordinary activities

Tax expense included in profit and loss

	Note	2018 £'000	2017 £'000
Current tax			
UK corporation tax on profits for the year		—	85
Adjustment in respect of previous periods		(65)	(17)
Total current tax		(65)	68
Deferred tax			
Origination and reversal of timing differences		(137)	(105)
Impact of changes in tax rates		14	13
Adjustments in respect of previous years		4	5
Total deferred tax	16	(119)	(87)
Tax on profit on ordinary activities		(184)	(19)

Reconciliation of tax charge:

The tax assessed for the year is lower (2017: lower) than the standard rate of corporation tax in the UK 19.00% (2017: 19.25%). The differences are outlined below:

	2018 £'000	2017 £'000
Profit before taxation	3,234	3,016
Profit before taxation multiplied by the standard rate of corporation tax in the UK 19.00% (2017: 19.25%)	614	581
Effects of:		
Expenses not deductible for tax purposes	23	24
Share Options	2	8
Difference between current and deferred tax rates	14	12
Group relief / (claimed) for nil charge	(776)	(267)
Deferred tax not provided	—	(381)
R & D tax relief	—	16
Adjustments in respect of previous periods	(61)	(12)
Total tax credit for the year	(184)	(19)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2018**

8. Tax on profit on ordinary activities (continued)

The standard rate of corporation tax in the UK changed from 20% to 19% with effect from 1 April 2017. Accordingly, the company's profit for this accounting year are taxed at an effective rate of 19.25%.

Reconciliation of options movement	2018		2017	
	Number (000)	Weighted average share price (£)	Number (000)	Weighted average share price (£)
Outstanding at 1 January	1	118.72	—	108.25
Granted	1	157.82	1	118.12
Forfeited	—	0.00	—	97.21
Exercised	—	0.00	—	97.21
Outstanding 31 December	2	143.42	1	118.72
Exercisable at 31 December	—	123.63	—	—

Factors that may affect future tax charges:

Changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2015 (on 26 October 2016) and Finance Bill 2016 (on 7 September). The change announced is to reduce the main rate to 17% from 1 April 2020. Changes to reduce the UK corporation tax rate to 19% from 1 April 2017 and to 18% from 1 April 2020 had already been substantively enacted on 26 October 2015.

9. Share-based payments

Under the Employee Incentive Programme (EIP) options and Restricted Stock Units (RSUs) are granted to employees of this company in the shares of the ultimate parent company, Thermo Fisher Scientific Inc. Options are granted with a fixed exercise price equal to the market price of the shares under option at the date of the grant. Employees do not pay an exercise price for RSUs. The contractual life of an option is 7 years from the date of the grant. Historically, options are annually granted in February or March. Options and RSUs vest over three or four years from the grant date, with equal proportions being exercisable on each anniversary, subject to continued employment.

New options and RSUs were granted in 2017 and 2018 under the Thermo Fisher Scientific Inc. plan.

Options were valued using the Black-Scholes option-pricing model. RSUs are valued at the market price at date of grant.

The fair value per option granted and the assumptions used in the calculation are as follows:

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2018**

9. Share-based payments (continued)

Reconciliation of RSU movements	2018		2017	
	Number (000)	Weighted average share price (£)	Number (000)	Weighted average share price (£)
Outstanding at 1 January	1	0.00	2	0.00
Granted	1	0.00	(1)	0.00
Exercised	(1)	0.00	0	—
Outstanding 31 December	1	0.00	1	0.00

The weighted average share price during the period for options exercised over the year was £172.35 (2017 : £133.54)

The total charge for the year relating to employee share based payment plans was £74,000 (2017: £71,000), all of which related to equity-settled share based payment transactions. After deferred tax, the total charge was £74,000 (2017 : £71,000). The cumulative charge included in reserves is £203,000 (2017 : £166,000).

AVOCADO RESEARCH CHEMICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

10. Intangible assets

	Software £'000	Total £'000
Cost		
At 1 January 2017	1,751	1,751
Additions	25	25
At 31 December 2018	1,776	1,776
Accumulated amortisation		
At 1 January 2018	1,582	1,582
Charge for the year	126	126
At 31 December 2018	1,708	1,708
Net book value		
At 31 December 2018	68	68
At 31 December 2017	169	169

AVOCADO RESEARCH CHEMICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

11. Tangible assets

	Land and Buildings and leasehold improvements	Plant and machinery	Fixtures, fittings and computer equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 January 2018	6,727	3,716	2,965	13,408
Additions	—	150	234	384
Disposals	—	—	—	—
At 31 December 2018	6,727	3,866	3,199	13,792
Accumulated depreciation				
At 1 January 2018	2,629	3,155	1,382	7,166
Charge for the year	241	125	230	596
Disposals	—	—	—	—
At 31 December 2018	2,870	3,280	1,612	7,762
Net book value				
At 31 December 2018	3,857	586	1,587	6,030
At 31 December 2017	4,098	561	1,583	6,242

Within Fixtures, fittings and computer equipment, there is £307,000 relating to assets in the course of construction (2017: £320,000) which are not depreciated. These assets are expected to start depreciating in 2019 once the project is completed.

12. Inventories

	2018	2017
	£'000	£'000
Raw materials and consumables	390	483
Work in progress	19	61
Finished goods and goods for resale	8,720	8,797
	9,129	9,341

There is no significant difference between the replacement cost of work in progress and finished goods and goods for resale and their carrying amounts.

Inventories are stated after provisions for impairment of £6,374,000 (2017: £6,431,000).

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2018**

13. Debtors

	2018	2017
	£'000	£'000
Trade debtors	1,283	3,288
Amounts owed by group undertakings	13,884	9,083
Other debtors	211	175
Deferred tax asset	314	195
Prepayments and accrued income	124	261
Corporation tax recoverable	65	19
	15,881	13,021

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

Trade debtors are stated after provision for impairment of £8,000 (2017: £9,000).

14. Creditors: amounts falling due within one year

	2018	2017
	£'000	£'000
Trade creditors	(1,133)	(2,341)
Amounts owed to group undertakings	(967)	(1,535)
Other creditors	(46)	(31)
Taxation and social security	(103)	(201)
Accruals and deferred income	(316)	(273)
	(2,565)	(4,381)

The amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2018**

15. Post-employment benefits

The company operates a defined contribution scheme. The pension cost charge for the period represents contributions payable by the company to the fund and amounted to £260,000 (2017: £286,000). The liability / prepayment at the year end for the contributions payable to the defined contribution scheme is £nil (2017: £56,000).

16. Deferred tax asset

	2018	2017
	£'000	£'000
Accelerated capital allowances	310	191
Other timing differences	4	4
Deferred tax asset	314	195

Provision for deferred taxation	Deferred tax asset £'000
At 1 January 2018	195
Credit to profit and loss account	123
Adjustment in respect of previous periods	(4)
At 31 December 2018	314

There are no unused tax losses or unused tax credits.

The net deferred tax asset expected to reverse in 2018 is £314,000. This primarily relates to the reversal of timing differences offset by expected tax deductions on the share-based payment arrangements and acceleration of capital allowances over depreciation.

AVOCADO RESEARCH CHEMICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

17. Financial Instruments

The company has the following financial instruments:

	Note	2018 £'000	2017 £'000
Financial assets that are debt instruments measured at amortised cost			
– Trade debtors		1,283	3,288
– Amounts owed by group undertakings	13	13,884	9,083
– Other receivables		335	436
		15,502	12,807
Financial liabilities measured at amortised cost			
– Trade creditors		1,133	2,341
– Amounts owed to group undertakings	14	967	1,535
– Other creditors		657	505
		2,757	4,381

Derivative financial instruments

The company has no forward foreign currency contracts to mitigate the exchange rate risk for certain foreign currency receivables.

The company has no interest rate derivative financial instruments (2017: none).

18. Called up share capital

	2018	2017
	£	£
Allotted and fully paid		
23,015,297 (2017: 23,015,297)	23,015,297	23,015,297

AVOCADO RESEARCH CHEMICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

19. Capital and other commitments

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

	2018 £'000	2017 £'000
Plant and machinery and vehicles		
Within one year	16	11
Within two to five years	7	10
	23	21

The company has no other off-balance sheet arrangements.

20. Related party transactions

See note 7 for disclosure of the directors' remuneration and key management compensation.

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

21. Controlling parties

The immediate parent undertaking is - 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 publically available and can be obtained from its headquarters at 168 Third Avenue, Waltham, MA 02451, USA.