

Registration number: 03141667

LGC (Holdings) Limited

Annual report and accounts

For the year ended 31 March 2020

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COMPANIES HOUSE

LGC (Holdings) Limited

Directors

Timothy Robinson
Simon Parsons

Secretary

Teri-Anne Cavanagh

Registered Address

Queens Road
Teddington
Middlesex
TW11 0LY

LGC (Holdings) Limited

Strategic report

The Directors present their strategic report for the year ended 31 March 2020.

Principal activity

LGC (Holdings) Limited's ("the Company") principal activity during the year is that of an investment holding company and the provision of management services to other Group companies. The Company expects to continue to operate on the same basis for the foreseeable future. The main trading entity of that wider group is LGC Science Group Holdings Limited ("the Group" or "LGC"), a company incorporated in England.

LGC is a global leader in the life science tools sector, serving customers in human healthcare, applied markets (including food, agbio and the environment), research and government. LGC provide a comprehensive range of reference materials, proficiency testing schemes, oligonucleotides, genomics reagents and instrumentation based upon our foundation of research and measurement capabilities. Our scientific tools and solutions form an essential part of our customers' quality and compliance procedures as well as enable them to provide safer products, develop new solutions and advance research.

The Group operates via the Standards and Genomics divisions, underpinned by our Health, Science & Innovation (HS&I) team and our corporate functions.

Each division provides mission critical solutions in life sciences tools and technology across growing end markets. The business model includes research and development, manufacturing, marketing, sales and customer support of a range of specialist products underpinned by our science capabilities.

The Standards division provides a comprehensive product range of Measurement Tools, Proficiency Testing schemes and Supply Chain Assurance tools.

The Genomics division provides a comprehensive product range of Oligonucleotides, PCR (Polymerase Chain Reaction) reagents and instrumentation and NGS (Next Generation Sequencing) tools.

Our HS&I team runs a number of national, scientific laboratories on behalf of the British Government along with leading analytical and measurement capabilities for pharma customers in the development of nucleic acid therapeutics and small and large molecule drugs.

The business addresses markets which are underpinned by sustainable growth drivers such as population demographics, rise of the middle class, increased regulatory activity and a continuing demand for a high quality of life.

Science for a safer world is our core purpose. Our strategy is to build sustainable leading positions in attractive niche segments requiring specialist scientific expertise, across the life science tools sector, including clinical and molecular diagnostic, pharma & biotech and applied markets (food & environment, agri-genomics, industrial and metals). In doing so we will leverage our position as a global leader in life science tools and technology, our world-class measurement science capabilities, and our highly differentiated and complete portfolio of products and technologies and our proven capability in delivering organic and inorganic growth.

A full review of the business of which LGC (Holdings) Limited forms a part and future developments are disclosed in the financial statements of LGC Science Group Holdings Limited, which are available to the public and may be obtained from LGC, Queens Road, Teddington, Middlesex, TW11 0LY.

Ownership

At the balance sheet date, LGC's ultimate controlling party was KKR & Co. L.P. ("KKR"), an entity incorporated in the United States of America. KKR acquired their controlling interest through various subsidiary entities including KKR Blue Co-Invest L.P. and KKR European Fund IV L.P.

On 21 April 2020, after the financial year end, KKR agreed to sell the Group to a consortium led by Astorg and Cinven. Founded in 1998, Astorg is an independent private equity group with offices throughout Europe. Founded in 1977, Cinven is a global private equity firm, with offices in nine international locations. Financial terms of the transaction were not disclosed. The sale was completed on 21 April 2020.

LGC (Holdings) Limited

Strategic report (continued)

Review of the business and future developments

The Income statement set out on page 6 shows the loss after taxation for the financial year of £11,343,000 (2019: loss of £12,670,000).

No key performance indicators are monitored by the Directors as LGC (Holdings) Limited is a holding company.

Principal risks and uncertainties

The review of other principal risks and uncertainties contains certain forward-looking statements. These statements have been made by the Directors in good faith based on the information available to them at the time of their approval of this report. They should be treated with caution due to the inherent uncertainties arising because they relate to circumstances that may or may not occur in the future. The principal risks facing the Company are grouped broadly into competitive and financial instrument risks.

Financial instruments

Financial risk management

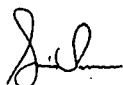
The Company's operations expose it to a variety of financial risks that include the effects of changes in price risk, credit risk, liquidity risk, interest rate cash flow risk and foreign exchange risk. The Company's main UK trading parent, LGC Science Group Holdings Limited, has in place a group-wide risk management programme that seeks to limit the adverse effects on the financial performance of the Company. Details are set out in the financial statements of LGC Science Group Holdings Limited.

Liquidity risk

Liquidity is managed by the main UK trading parent, LGC Science Group Holdings Limited. The wider Group actively maintains a mixture of long-term and short-term debt finance and cash deposits that are designed to ensure the Group has sufficient available funds for operations, expansion and planned acquisitions. From 8 March 2016, there are no liquidity covenants associated with the Group's banking facilities.

Foreign exchange risk

The Company is exposed to cash flow risk as a result of assets and liabilities denominated in foreign currency. This risk is partially mitigated by internally generated cash flows in a similar mix of currencies. Net risk of exposure to operations in foreign currencies is managed by the purchase of forward foreign exchange contracts.



Simon Parsons

Director

14 June 2021

LGC (Holdings) Limited

Directors' report

The Directors present their report and financial statements for the year ended 31 March 2020.

Directors

The Directors who served the Company during the year were as follows:

Timothy Robinson
Simon Parsons

Key person and Directors and Officers insurance is maintained for all Directors.

Dividends

The Directors do not recommend an interim dividend or final dividend (2019: £nil).

Going concern

The financial statements have been prepared on the going concern basis.

In considering the appropriateness of the going concern assumption, the Directors have had regard to:

- financial support from LGC Science Group Holdings Limited (the ultimate UK trading parent company);
- future projections for the Company and the Group; and
- financing arrangements in place.

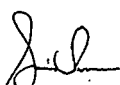
The Group has loan facilities to provide adequate financing to support the Company's operations and the covenants set out in the Group's facilities are forecast to continue to be satisfied.

Whilst acknowledging the inherent risk in any plan, the Directors are concluding that, having considered the factors set out above, it is appropriate to prepare the financial statements on a going concern basis.

Financial instruments

Details of financial instruments are provided in the strategic report on page 3.

By order of the Board



Simon Parsons
Director
14 June 2021

LGC (Holdings) Limited

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). 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 these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements; 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 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. They 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.

LGC (Holdings) Limited

Income Statement

for the year ended 31 March 2020

	Notes	2020 £000	2019 £000
Turnover	3	14,320	13,955
Staff costs	4	(2,894)	(3,293)
Other external charges	5	(14,575)	(14,536)
Income from shares in Group undertakings	8	368	558
Operating loss	6	(2,781)	(3,316)
Interest receivable from Group undertakings		73,426	43,470
Interest payable to Group undertakings		(82,545)	(52,649)
Loss on ordinary activities before taxation		(11,900)	(12,495)
Tax income/(charge) on loss on ordinary activities	7	557	(175)
Loss for the financial year		(11,343)	(12,670)

All activities in the year relate to continuing operations.

Statement of comprehensive income

for the year ended 31 March 2020

	Notes	2020 £000	2019 £000
Loss for the financial year		(11,343)	(12,670)
Total comprehensive income for the year, net of tax		(11,343)	(12,670)

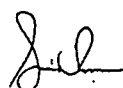
LGC (Holdings) Limited
Balance sheet
at 31 March 2020

	Notes	2020 £000	2019 £000
Fixed assets			
Investments	8	842,437	680,509
Current assets			
Debtors	9	1,036,035	713,634
Cash at bank and in hand		1,913	2
		<u>1,037,948</u>	<u>713,636</u>
Creditors: amounts falling due within one year	10	(268,329)	(110,673)
Net current assets		<u>769,619</u>	<u>602,963</u>
Total assets less current liabilities		<u>1,612,056</u>	<u>1,283,472</u>
Creditors: amounts falling due after more than one year	11	(1,078,818)	(738,891)
Net assets		<u><u>533,238</u></u>	<u><u>544,581</u></u>
Capital and reserves			
Share capital	12	352	352
Share premium reserve		60,218	60,218
Capital reserve		31	31
Revaluation reserve		452,300	452,300
Retained earnings		20,337	31,680
Shareholders' funds		<u><u>533,238</u></u>	<u><u>544,581</u></u>

For the year ending 31 March 2020 the Company was entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts



Simon Parsons
Director
14 June 2021

LGC (Holdings) Limited

Statement of changes in equity

for the year ended 31 March 2020

	Share capital £000	Share premium reserve £000	Capital reserve £000	Revaluation reserve £000	Retained earnings £000	Total £000
At 1 April 2018	352	60,218	31	452,300	44,350	557,251
Loss for the year	-	-	-	-	(12,670)	(12,670)
Total comprehensive income	-	-	-	-	(12,670)	(12,670)
A1 31 March 2019	352	60,218	31	452,300	31,680	544,581

	Share capital £000	Share premium reserve £000	Capital reserve £000	Revaluation reserve £000	Retained earnings £000	Total £000
At 1 April 2019	352	60,218	31	452,300	31,680	544,581
Loss for the year	-	-	-	-	(11,343)	(11,343)
Total comprehensive income	-	-	-	-	(11,343)	(11,343)
A1 31 March 2020	352	60,218	31	452,300	20,337	533,238

LGC (Holdings) Limited

Notes to the financial statements

at 31 March 2020

1. Corporate information

These financial statements were authorised for issue by the Board on 29 March 2021. The Company is a private company limited by share capital incorporated in England and Wales and domiciled in the United Kingdom.

The address of its registered office is:

Queens Road
Teddington
Middlesex
TW11 0LY

2. Summary of significant accounting policies and key accounting estimates

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

Basis of preparation

The Company's financial statements,

- have been prepared under the historical cost convention and in accordance with FRS 101 and the Companies Act 2006;
- do not comply with all of the requirements of EU-adopted IFRS and therefore do not contain the unreserved statement of compliance set out in paragraph 3 of IFRS 1 First Time Adoption of International Financial Reporting Standards and paragraph 16 of IAS 1 Presentation of Financial Statements;
- are presented in pounds sterling and all values are rounded to the nearest thousand pounds (£000), except where indicated otherwise;

The Company has taken advantage of the following disclosure exemptions under FRS 101:-

- the requirements of IFRS 7 Financial Instruments Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurements;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1;
 - (ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures; and
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

LGC (Holdings) Limited

Notes to the financial statements

at 31 March 2020

2. Accounting policies (continued)

Exemption from preparing group accounts

The financial statements contain information about LGC (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 400 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 LGC Science Group Holdings Limited, a company incorporated in England and Wales.

Going Concern

The financial statements have been prepared on a going concern basis as per the Directors' report.

In considering the appropriateness of the going concern assumption, the Directors have had regard to:

- financial support from LGC Science Group Holdings Limited (the ultimate UK trading parent company);
- future projections for the Company and the Group; and
- financing arrangements in place.

The Group has loan facilities to provide adequate financing to support the Company's operations and the covenants set out in the Group's bank facilities are, and are forecast to continue to be, satisfied.

Whilst acknowledging the inherent risk in any plan, the Directors are concluding that, having considered the factors set out above, it is appropriate to prepare the financial statements on a going concern basis.

Foreign currencies

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates. All differences arising on settlement or translation of monetary items are taken to the Income statement. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in the Income statement.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Current and deferred income tax

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income or directly to equity.

Current tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates taxable income.

Deferred tax is provided on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

LGC (Holdings) Limited

Notes to the financial statements

at 31 March 2020

2. Accounting policies (continued)

Fixed asset investments

Fixed asset investments are stated at cost. The carrying values of fixed asset investments are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

In the event of reconstructions within the Group, where the trade and net assets of subsidiary undertakings may be transferred elsewhere within the Group, consideration is given to whether such reconstruction results in a loss to the Company when considering whether an impairment has occurred.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

3. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced and accrued to the Company's subsidiary undertakings in respect of services provided to these undertakings. All turnover in the year was generated in the UK.

4. Staff costs and Directors remuneration

(a) Staff costs

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

	2020 £000	2019 £000
Wages and salaries	2,500	2,858
Social security costs	338	380
Other pension costs	56	55
	2,894	3,293

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

	2020 No.	2019 No.
Administration and management	10	10

(b) Directors' remuneration

The Directors' remuneration for the year was as follows:

	2020 £000	2019 £000
Aggregate remuneration in respect of qualifying services	1,285	1,185

	2020 No.	2019 No.
The number of Directors receiving remuneration during the year	2	2
The number of Directors accruing benefits under a defined contribution pension scheme	1	1

LGC (Holdings) Limited

Notes to the financial statements

at 31 March 2020

4. Staff costs and Directors remuneration (continued)

	2020	2019
	£000	£000
Aggregate remuneration in respect of the highest paid Director	755	734

During the year, the Company made contributions of £1,900 (2019: £1,200) to defined contribution pension schemes on behalf the Directors.

5. Other external charges

	2020	2019
	£000	£000
Management fee recharges	(14,908)	(11,973)
Unrealised exchange gains and losses	11,060	(2,297)
Other expenses	(10,727)	(266)
	(14,575)	(14,536)

6. Operating loss

The loss for the year is entirely from continuing operations.

7. Taxation

Tax (income)/charge in the income statement comprised:

(a) Analysis of charge / credit in year:

	2020	2019
	£000	£000
Current tax		
Prior year tax adjustment	-	20
Total current tax	-	20
Deferred tax		
Origination and reversal of temporary differences	(406)	1
Adjustment in respect of prior years	(21)	154
Change in rates	(130)	-
Total deferred tax	(557)	155
Total tax (income)/charge for the year	(557)	175

LGC (Holdings) Limited

Notes to the financial statements

at 31 March 2020

7. Taxation (continued)

(b) Factors affecting tax income for the year:

The tax on loss before tax for the year is higher than the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are reconciled below:

	2020 £000	2019 £000
Loss on ordinary activities before taxation	(11,900)	(12,495)
Corporation tax at standard rate of 19%	(2,261)	(2,374)
Effects of:		
Non-taxable income	1,760	20
Group relief surrendered for nil payment	89	2,354
Rate change adjustment	(130)	-
Adjustment with respect of prior years	(21)	175
Movement in unrecognised deferred taxes	(406)	-
Transfer pricing adjustments	29	-
Foreign exchange movements	383	-
Total tax (income)/charge for the year	(557)	175

(c) Deferred tax assets

Deferred tax relates to the following:

	2020 £000	2019 £000
Losses	1,637	1,080
Deferred tax asset	1,637	1,080

Reflected in the statement of financial position as follows:

Deferred tax assets	1,637	1,080
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Reconciliation of deferred tax asset

	2020 £000	2019 £000
At 1 April	1,080	1,235
Tax income during the year recognised in the income statement	557	(155)
At 31 March	1,637	1,080

There is a deferred tax asset of £1.6m (2019: £1.1m) recognised in the statement of financial position.

The Company has tax losses carried forward at 31 March 2020 of £8.6m (2019: £6.4m).

LGC (Holdings) Limited

Notes to the financial statements

at 31 March 2020

7. Taxation (continued)

(d) Factors that may affect future tax charges

The Finance (No.2) Act 2015 reduced the main rate of UK corporation tax to 19%, effective from 1 April 2017. A further reduction in the UK corporation tax rate to 17% was expected to come into effect from 1 April 2020 (as enacted by Finance Act 2016 on 15 September 2016). However, legislation introduced in the Finance Act 2020 (enacted on 22 July 2020) repealed the reduction of the corporation tax, thereby maintaining the current rate of 19%. Deferred taxes on the balance sheet have been measured at 19% (2019 – 19%) which represents the future corporation tax rate that was enacted at the balance sheet date.

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. These changes were not substantively enacted at the balance sheet date and hence have not been reflected in the measurement of deferred tax balances at the year end. It is not anticipated that these changes will have a material impact on the company's deferred tax balances.

8. Investments

	2020 £000	2019 £000
At 1 April	680,509	631,569
Additions	161,928	53,799
Disposals	-	(4,859)
At 31 March	842,437	680,509

Additions in the year relate to:

- in April 2019, an increase of £862,000 in the Company's investment in LGC Investments GmbH, an existing subsidiary undertaking;
- in August 2019, the acquisition for £119,298,000 of a majority stake in Toronto Research Chemicals (TRC), a leading manufacturer and supplier of synthetic organic bio-chemicals which are used as reference standards, research tools and building blocks by a highly diversified global customer base across the pharmaceutical, applied and research sectors; and
- in November 2019, an agreement was reached with the non-controlling interest of Brand Reputation Compliance Limited, an existing subsidiary undertaking, which committed the Company to purchase all of their shares for a fixed price of £41,768,000, conditional on a change of control of the LGC Group (note 10).

As at 31 March 2020, details of the investments in which the Company holds 20% or more of the nominal value of any class of share capital are as follows:

Subsidiary	Registered office/principal place of business	Type of shares	Proportion of voting rights and shares held	Nature of business
American Proficiency Institute Group Inc	(1)	Ordinary	100	Food proficiency testing services
Analytical Reference Materials International Corp	(2)	Ordinary	100	Distribution of analytical reference standards
Aquacheck Limited	(3)	Ordinary	100	Dormant
Axolabs GmbH	(4)	Ordinary	100	Contract development and manufacturing of oligonucleotide therapeutics.
Berry & Associates, Inc	(5)	Ordinary	100	Genomics products and services
BioAutomation Corporation	(6)	Ordinary	100	Genomics products and services
Biosearch Technologies Inc	(7)	Ordinary	100	Genomics products and services
Brand Reputation Compliance Limited	(3)	Ordinary	77.5*	Holding company

LGC (Holdings) Limited

Notes to the financial statements

at 31 March 2020

8. Investments (continued)

Subsidiary	Registered office/principal place of business	Type of shares	Proportion of voting rights and shares held	Nature of business
BRC Global Standards (Americas) Corporation	(8)	Ordinary	77.5	Distribution of analytical reference standards
BRC GS America Inc	(9)	Ordinary	77.5	Distribution of analytical reference standards
BRC Trading Limited	(3)	Ordinary	77.5	Distribution of analytical reference standards
Cardiff Bioanalytical Services Limited	(3)	Ordinary	100	Dormant
Douglas Scientific LLC	(10)	Ordinary	55	Genomics products and services
Dr Ehrenstorfer GmbH	(11)	Ordinary	100	Distribution of analytical reference standards
Focus Forensic Telecommunications Limited	(3)	Ordinary	100	Dormant
HFL Sport Science Limite	(3)	Ordinary	100	Dormant
Industrial Analytical Pty Limited	(12)	Ordinary	100	Distribution of analytical reference standards
KBiosciences Limited	(3)	Ordinary	100	Dormant
Kirkegaard & Perry Laboratories, Inc	(13)	Ordinary	100	Dormant
LGC (North West) Limited	(3)	Ordinary	100*	Holding company
LGC (Teddington) Limited	(3)	Ordinary	100*	Holding company
LGC Beteiligungs GmbH	(11)	Ordinary	100	Holding company
LGC Bio Senate Limited	(3)	Ordinary	100	Dormant
LGC Bioresearch Limited	(3)	Ordinary	100	Dormant
LGC Biosearch GmbH	(14)	Ordinary	100	Genomics products and services
LGC Biosearch technologies A/S	(15)	Ordinary	100	Genomics products and services
LGC Genomics GmbH	(16)	Ordinary	100	Genomics products and services
LGC Genomics Holding GmbH	(16)	Ordinary	100	Holding company
LGC Genomics Limited	(3)	Ordinary	100	Genomics products and services
LGC Genomics LLC	(1)	Ordinary	100	Genomics products and services
LGC Genomics US Holdings Inc	(1)	Ordinary	100	Holding company
LGC GmbH	(17)	Ordinary	100	Manufacture of analytical reference standards
LGC Holding GmbH	(16)	Ordinary	100*	Holding company
LGC Investments GmbH	(11)	Ordinary	100*	Holding company
LGC Labor GmbH	(11)	Ordinary	100	Manufacture of analytical reference standards
LGC Limited	(3)	Ordinary	100*	Chemical and biochemical analysis consultancy and distribution of analytical reference standards
LGC North America Inc	(1)	Ordinary	100*	Holding company
LGC Rhone Inc	(1)	Ordinary	100	Holding company
LGC Science (Beijing) Co Limited	(18)	Ordinary	100	Distribution of analytical reference standards
LGC Science (Nanjing) Co Limited	(19)	Ordinary	100	Distribution of analytical reference standards

LGC (Holdings) Limited

Notes to the financial statements

at 31 March 2020

8. Investments (continued)

Subsidiary	Registered office/principal place of business	Type of shares	Proportion of voting rights and shares held	Nature of business
LGC Science (Shanghai) Co Limited	(20)	Ordinary	100	Distribution of analytical reference standards
LGC Science and Standards (India) Private Limited	(21)	Ordinary	100	Distribution of analytical reference standards
LGC Science Group (Singapore) Pte Limited	(22)	Ordinary	100*	Holding company
LGC Science Inc	(23)	Ordinary	100	Analytical testing services
LGC Standards (South Africa) (Proprietary) Limited	(12)	Ordinary	100*	Holding company
LGC Standards Brazil Exportação E Importação Ltda	(24)	Ordinary	100*	Distribution of analytical reference standards
LGC Standards GmbH	(11)	Ordinary	100	Distribution of analytical reference standards
LGC Standards Inc	(25)	Ordinary	100	Distribution of analytical reference standards
LGC Standards Sarl	(26)	Ordinary	98.75**	Distribution of analytical reference standards
LGC Standards SL	(27)	Ordinary	100*	Distribution of analytical reference standards
LGC Standards Spzoo	(28)	Ordinary	4**	Distribution of analytical reference standards
LGC Standards Srl	(29)	Ordinary	100	Distribution of analytical reference standards
LGC Whirlwind Ltd	(3)	Ordinary	100*	Holding company
Link Technologies Limited	(30)	Ordinary	100	Genomics products and services
Lucigen Corporation	(31)	Ordinary	100	Genomics products and services
Maine Standards Company LLC	(32)	Ordinary	100	Manufacture of analytical reference standards
MBH Analytical Limited	(3)	Ordinary	100	Manufacture of certified reference materials
Organic Standard Solutions International LLC	(33)	Ordinary	100	Distribution of analytical reference standards
Prime Synthesis Inc	(34)	Ordinary	100	Genomics products and services
Project Plasma Holdings Corporation	(35)	Ordinary	100	Holding Company
Promochem Limited	(3)	Ordinary	100*	Dormant
Quality Management Holdings Limited	(3)	Ordinary	100	Holding company
Quality Management Limited	(3)	Ordinary	100	Dormant
SeraCare Life Sciences, Inc	(36)	Ordinary	100	Manufacture of certified reference and clinical diagnostic materials
Thistle Laboratory Services (Proprietary) Limited	(12)	Ordinary	100	Analytical testing services
University Diagnostics Limited	(3)	Ordinary	100*	Dormant
VHG Labs Inc	(37)	Ordinary	100	Distribution of analytical reference standards

* Directly held by the Company

** The remaining shares and voting rights are held by another Group company

LGC (Holdings) Limited

Notes to the financial statements

at 31 March 2020

8. Investments (continued)

The country of incorporation matches the country in which the registered office/principal place of business is located.

Key to registered office/principal place of business

- (1) National Registered Agents, Inc, 160 Greentree Drive, Suite 101, Dover DE 19904, United States
- (2) National Registered Agents, Inc, 1021 Main Street, 1150, Houston TX 77002, United States
- (3) LGC, Queens Road, Teddington, Middlesex, TW11 0LY, United Kingdom
- (4) Fritz-Hornschuch-Straße 9, D-95326 Kulmbach Germany
- (5) 2434 Bishop Circle E, Dexter Michigan, 48130, United States
- (6) National Registered Agents Inc, 701 S Carson St, Ste 200, Carson City, 89701, Nevada, United States
- (7) National Registered Agents, Inc, 818 W Seventh Street, Suite 930, Los Angeles CA 90017, United States
- (8) Cogency Global Inc. 850 New Burton Road Suite 201 Dover DE 19904, United States
- (9) 15 Martin Street, Suite 202, Milton, ON L9T 2R4
- (10) 1010 Dale St N, St Paul, MN 55117-5603, USA
- (11) Mercatorstr. 51, 46485 Wesel, Germany
- (12) 48 Monte Carlo Crescent, Kyalami Business Park, Kyalami, Gauteng, 1684, South Africa
- (13) The Corporation Trust Inc, 2405 York Road, Suite 201, Lutherville, Timonium MD, 21093-2264
- (14) Sonneberger Strasse 69, 96523 Steinach, Germany
- (15) Voldbjergvej 16B, 8240, Risskov, Denmark
- (16) Ostendstrasse 25, TGS Haus 8, 12459 Berlin, Germany
- (17) Louis-Pasteur-Str. 30, 14943, Luckenwalde, Germany
- (18) Room 110, Unit 3, No 6 Building, No 88 Yark, Kechuang Sixth Street, Beijing China
- (19) 5F, Block A5, Hongfeng Science Park, Economic and Technological Development Zone, Nanjing
- (20) Room 1577B, No 55 Xili Road, Shanghai Free Trade Zone, Shanghai, China
- (21) Unit No. 216, Commercial Building Square One, C-2 District Centre, Saket, New Delhi, 110017, India
- (22) 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, Singapore
- (23) Northwest Registered Agent Service, Inc, 1521 Concord Pike, Suite 202, Wilmington DE 19803, United States
- (24) Avenida Salmão 663, Sala 66, Jardim Aquarius - São José Dos Campos, 12246-260 Brazil
- (25) National Registered Agents, Inc, 155 Federal Street, Suite 700, Boston MA 02110, United States
- (26) 6 rue Alfred Kastler, 67120 Molsheim, France
- (27) Salvador Espriu 59, 08005 Barcelona, Spain
- (28) ul. M.Konopnickiej 1, Dziekanów Leśny, 05-092, Łomianki, Poland
- (29) Via Tintoretto n. 5, 20145 Milano, Italy
- (30) 3 Mallard Way, Strathclyde Business Park, Bellshill, Lanarkshire, ML4 3BF
- (31) Cogency Global, Inc., 901 S Whitney Way, Madison, WI, 53711 - 2553
- (32) 221 US Route 1, Cumberland Foreside, ME 04110, United States
- (33) National Registered Agents Inc., 2 Office Park Court, Columbia SC 29223, United States
- (34) 2 New Road, Suite 126, Aston DE 19014, United States
- (35) National Registered Agents Inc, 160 Greentree Drive, Suite 101, Dover, Kent, 19904, Delaware, United States
- (36) The Corporation Trust Company, Corporation Trust Center, 1209 Orange ST, Wilmington, DE, 19801, United States
- (37) National Registered Agents. Inc, 276 Abby Road, Manchester NH 03103, United States

Dividends received during the year were as follows:

	2020	2019
	£000	£000
LGC Standards Sarl	347	534
LGC Standards Spzoo	21	24
	368	558

LGC (Holdings) Limited

Notes to the financial statements

at 31 March 2020

9. Debtors

	2020 £000	2019 £000
Amounts owed by Group undertakings	354,612	233,156
Long-term loan notes (including accrued interest)	679,634	479,398
Other debtors	152	-
Deferred tax	1,637	1,080
	1,036,035	713,634

The loans owed by Group undertakings bear interest at rates between 5.5% and 15% (2019: between 5.5% and 15%) per annum and are repayable on demand. The Long-term loan notes are accruing interest at rates between 7.5% and 10% (2019 - between 7.5% and 10%). These loans are denominated in a mixture of Pounds Sterling, US Dollars and Euros.

Amounts falling due after more than one year included above are:

	2020 £000	2019 £000
Long-term loan notes (including accrued interest)	679,634	479,398
Deferred tax	1,637	1,080
	681,271	480,478

10. Creditors: amounts falling due within one year

	2020 £000	2019 £000
Trade and other payables	70	-
Amounts due to Group undertakings	220,574	110,394
Accruals and deferred income	5,917	29
Liability for the purchase of the non-controlling interest in BRC Trading Limited	41,768	-
Deferred consideration	-	250
	268,329	110,673

The non-controlling interest in BRC Trading Limited ("BRC") arose on the Company's initial acquisition of a 71.275% controlling stake in November 2016, which was subsequently increased to 77.5% in March 2019. On 5 November 2019, an agreement was reached with the non-controlling interest which committed the Group to purchase all of their shares in BRC for a fixed price, conditional on a change of control of the Group. At the date the agreement was entered into, the commitment gave rise to a financial liability for the fixed price agreed of £41,768,00.

The loans owed to Group undertakings bear interest at rates between 5.5% and 15% (2019: between 5.5% and 15%) per annum and are repayable on demand. These loans are denominated in a mixture of Pounds Sterling, US Dollars and Euros.

11. Creditors: amounts falling after more than one year

	2020 £000	2019 £000
Long-term loan notes (including accrued interest)	1,078,818	738,891

The long-term loan notes bear interest at rates between 7.5% and 10% (2019: between 7.5% and 10%). These loans are denominated in a mixture of Pounds Sterling, US Dollars and Euros.

LGC (Holdings) Limited

Notes to the financial statements

at 31 March 2020

12. Share capital

Allotted and issued share capital

	2020 Number	2019 Number	2020 £000	2019 £000
Ordinary shares of £1 each	352,191	352,191	352	352

13. Commitments and guarantees

Guarantees

The Company and other subsidiaries have provided guarantees and granted security to support the syndicated bank borrowing arrangements of the Parent company.

14. Related party transactions

The Company has taken advantage of the exemption available under FRS101 not to disclose compensation of key management personnel and not to disclose related party transactions with other members of the LGC Science Group Holdings Limited Group.

There have been no transactions during the year (2019: £nil) with Directors or subsidiaries which are not 100% owned by the Group.

15. Ultimate holding company and controlling party

The Company's immediate parent company is LGC Investments Limited. The smallest group of undertakings for which group accounts are drawn up and of which the Company is a member is LGC Science Group Holdings Limited, which are available to the public and may be obtained from LGC, Queens Road, Teddington, Middlesex, TW11 0LY. The largest group of undertakings for which group accounts are drawn up and of which the Company is a member is Elwy 2 Limited, which are available to the public and may be obtained from LGC, Queens Road, Teddington, Middlesex, TW11 0LY.

At the balance sheet date the majority shareholders of Elwy 2 Limited are KKR Fund Holdings L.P. and KKR European Fund IV L.P. (the "Funds"). Kohlberg Kravis Roberts & Co. L.P., a registered investment adviser regulated by the United States Securities & Exchange Commission (Registration NO. 90169634) under the U.S. Investment Advisors Act of 1940, acts as a manager for and on behalf of the Funds. No individual investor in the Funds has more than 25% of the interest in Elwy 2 Limited. The ultimate parent company of KKR Fund Holdings L.P. and KKR European Fund IV L.P. is KKR & Co. L.P., an entity incorporated in the United States of America.

16. Post balance sheet events

On 21 April 2020 the Group was acquired by a consortium jointly led by Astorg and Cinven. Financial terms of the transaction were not disclosed. The sale was completed on 21 April 2020.