

Company Registration No. 03758366

PerkinElmer Limited

Annual Report and Financial Statements

52 weeks ended 1 January 2017



PerkinElmer Limited

Annual report and financial statements for the period ended 1 January 2017

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PerkinElmer Limited

Strategic report

The directors present their Strategic report for PerkinElmer Limited for the period ended 1 January 2017.

Principal activities

The principal activity of the company is the provision of services to PerkinElmer Singapore Pte Ltd, a fellow PerkinElmer Inc group entity. These services include manufacturing, information technology, and research and development activities.

Review of business

The principal risks and uncertainties which face the company are the level of activity required by PerkinElmer Singapore Pte Ltd as part of the agreements in place between the two entities. This risk is mitigated by agreements from other group companies which guarantee PerkinElmer Limited a certain level of net income. The directors expect this level of general activity to continue for the foreseeable future.

Approval

This report was approved by the board on 25 September 2017

and signed on its behalf by:



A.J. Crook
Director

PerkinElmer Limited

Directors' report

The directors present the Directors' report and the audited financial statements for the 52 week period ended 1 January 2017 (2016: 53 week period ended 3 January 2016).

Principal activities & future developments

The principal activity of the company is the provision of services to PerkinElmer Singapore Pte Ltd, a fellow PerkinElmer Inc group entity. These services include manufacturing, information technology, and research and development activities. It is anticipated this will continue for the foreseeable future.

Results and dividends

The profit for the year, after taxation, amounted to £1,996,000 (2015 profit: £4,255,000). During the financial period, the directors made a dividend payment of £nil (2016: £nil).

Liquidity and going concern

The company's activities are described above. Despite the current uncertain macro-economic conditions, the directors believe that the company is properly structured and well positioned to manage and control the business risks which it faces. The company trades on a cost plus recharge basis and therefore has a predictable income stream. The company manages its liquidity needs through a bank pooling facility and, in the unlikely event that any such need would arise, the directors would receive the support of the ultimate parent company in managing future cash flows in accordance with the guarantee they have received. On this basis the directors have no doubt that the company can continue in operational existence for the foreseeable future and they have therefore continued to adopt the going concern basis in preparing the annual report and accounts.

Directors

The directors who served during the period and to the date of approval of the financial statements were as follows:

A J Crook
J Healy

Auditor

Each of the persons who is 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 auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Mazars LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board.

A J Crook
Director

25 September 2017

PerkinElmer Limited

Statement of Directors' Responsibilities

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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have 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 to 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.

Independent auditor's report to the member of PerkinElmer Limited

We have audited the financial statements of PerkinElmer Limited for the year ended 1 January 2017 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. This report is made solely to the company's member in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 1 January 2017 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on the other matter prescribed by the Companies Act 2006

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 financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

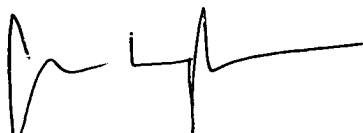
Independent auditor's report to the members of PerkinElmer Limited (continued)

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Claire Larquetoux (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Tower Bridge House
St Katharine's Way
London
E1W 1DD

Date 27 / 9 / 17

PerkinElmer Limited

Statement of Comprehensive Income 52 week period ended 1 January 2017

		Period ended 1 January 2017 £'000	Period ended 3 January 2016 £'000
	Notes		
Turnover	2	14,242	17,336
Cost of sales		(12,233)	(13,429)
Gross and operating profit	5	2,009	3,907
Interest receivable and similar income	4	33	97
Other finance income	16	305	239
Profit on ordinary activities before taxation		2,347	4,243
Tax charge on profit on ordinary activities	7	(351)	12
Profit on ordinary activities after taxation	13	1,996	4,255
Other comprehensive income:			
Actuarial gain/(loss) on defined benefit pension scheme	16	423	(260)
Movement on deferred tax relating to pension scheme liability		(72)	52
Total other comprehensive income / (loss)		351	(208)
Total comprehensive income for the year		2,347	4,047

All results are derived from continuing operations in the current and prior period.

PerkinElmer Limited

Statement of Financial Position


1 January 2017

Registered number: 03758366

	Notes	1 January 2017 £'000	3 January 2016 £'000
Fixed assets			
Tangible assets	8	1,373	1,390
Current assets			
Debtors	9	39,175	37,187
Cash at bank and in hand		3	2
		39,178	37,189
Creditors: amounts falling due within one year	11	(3,657)	(2,748)
Net current assets		35,521	34,441
Total assets less current liabilities		36,894	35,831
Provisions for liabilities			
Deferred tax liability	10	(1,500)	(1,040)
Net assets excluding pension asset		35,394	34,791
Defined benefit pension asset	16	9,979	8,235
Net assets		45,373	43,026
Capital and reserves			
Called up share capital	12	23,466	23,466
Profit and loss account	13	21,907	19,560
Shareholders' funds		45,373	43,026

The financial statements of PerkinElmer Limited, registered number 03758366 were approved and authorised for issue by the Board of Directors and were signed on its behalf on 25 September 2017.

Signed on behalf of the Board of Directors


A J Crook
Director

PerkinElmer Limited

Statement of Changes in Equity 52 week period ended 1 January 2017

Registered number: 03758366

	Share capital £000	Profit and loss account £000	Total equity £000
As at 29 December 2014	23,466	15,513	38,979
Profit for the year	-	4,255	4,255
Other comprehensive income	-	(208)	(208)
Total comprehensive income	-	4,047	4,047
As at 3 January 2016	23,466	19,560	43,026
As at 4 January 2016	23,466	19,560	43,026
Profit for the year	-	1,996	1,996
Other comprehensive income	-	351	351
Total comprehensive income	-	2,347	2,347
As at 1 January 2017	23,466	21,907	45,373

PerkinElmer Limited

Notes to the financial statements 52 week period ended 1 January 2017

1. General Information

These financial statements comprising the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 19 constitute the individual financial statements of PerkinElmer Limited for the financial period ended 1 January 2017.

PerkinElmer Limited is a private company limited by shares, incorporated in England & Wales. The company's registered office is Chalfont Road, Seer Green, Beaconsfield, Buckinghamshire, HP9 2FX, which is also the principal place of business of the company. The nature of the company's operations and its principal activities are set out in the Directors' report on page 2. The company transitioned from UK GAAP to FRS 102 as at 29 December 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 19.

The financial statements have been presented in Pounds Sterling as this is the functional currency of the Company and all values are rounded to the nearest thousand pounds except when otherwise indicated.

Statement of Compliance

The financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102).

2. Accounting policies

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 19.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

PerkinElmer Limited

Notes to the financial statements **52 week period ended 1 January 2017**

2. Accounting policies (continued)

This information is included in the consolidated financial statements of PerkinElmer Inc. as at 1 January 2017 and these financial statements may be obtained as described in note 17.

Going concern

After making due enquiries, the directors have considered the financial position and prospects of the company (as set out in the Directors' report) and have concluded that the going concern basis of preparation remains appropriate.

Financial period

The financial statements have been drawn up for the 52 week period ended 1 January 2017. Comparative figures are for the 53 week period ended 3 January 2016.

Tangible fixed assets

Tangible fixed assets are shown at cost net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset on a straight line basis over its estimated useful life as follows:

Leasehold Improvements	-	7 periods
Fixtures and fittings	-	7 to 10 periods
Plant and Machinery	-	3 to 10 periods

Tangible fixed assets associated with the leased premises are depreciated over the length of the lease.

Pension costs

PerkinElmer Ltd participates in the PerkinElmer (UK) Pension Scheme, a closed hybrid defined benefit and defined contribution scheme in the UK with PerkinElmer (UK) Holdings Limited and PerkinElmer LAS (UK) Limited.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligations) and is based on actuarial advice. When a settlement or a curtailment occur the change in the present value of the scheme liabilities and the fair value of the plan assets reflects the gain or loss which is recognised in the income statement during the period in which it occurs.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, at the start of the period taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Re-measurements, comprising actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability (excluding amounts included in net interest) are recognised immediately in other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

PerkinElmer Limited

Notes to the financial statements **52 week period ended 1 January 2017**

2. Accounting policies (continued)

The net defined benefit pension asset or liability in the Statement of Financial Position comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

Contributions to defined contribution schemes are recognised in the Statement of Comprehensive Income in the period in which they become payable.

PerkinElmer Limited is the sponsoring employer of the defined benefit scheme as it has legal responsibility for the plan. There is no contractual agreement or stated policy for charging the defined benefit cost of the plan as a whole to individual group entities and therefore the company has recognised the entire net defined benefit cost and relevant net defined benefit liability of the scheme in its individual financial statements.

Foreign currencies

Transactions denominated in foreign currencies are recorded in the local currency at actual exchange rates as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the period end are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward exchange rate.

Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the Statement of Comprehensive Income.

Turnover – Rendering of services

Turnover comprises the value of sales (excluding VAT) of services provided at an agreed mark up under contract manufacturing, information technology and research and development agreements with another group entity, PerkinElmer Singapore Pte Limited. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Statement of Financial Position date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the Statement of Financial Position date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities are not discounted.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

PerkinElmer Limited

Notes to the financial statements **52 week period ended 1 January 2017**

2. Accounting policies (continued)

Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the Statement of Financial Position date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

Research and development

Research and development expenditure is written off to the profit and loss account as incurred.

Segmental information

All turnover recognised by the company relates to the company's principal activity which is considered to be the only reporting segment. All turnover is received from PerkinElmer Singapore Pte Ltd.

3. Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Statement of Financial Position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following are the company's key sources of estimation uncertainty:

PerkinElmer Limited

Notes to the financial statements 52 week period ended 1 January 2017

3. Judgements and key sources of estimation uncertainty (continued)

Pension and other post-employment benefits

The cost of defined benefit pension plans and other post-employment medical benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population bonds on which the discount rate is based, on the basis that they do not represent high quality bonds. The mortality rate is based on publicly available mortality tables for the specific country. Future salary increases and pension increases are based on expected future inflation rates for the respective country. Further details are given in note 16.

4. Interest receivable and similar income

Interest receivable relates entirely to bank interest receivable in the current and prior period.

5. Operating profit

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

	Period ended 1 January 2017 £'000	Period ended 3 January 2016 £'000
Depreciation of owned tangible fixed assets (note 8)	675	570
Research and development expenditure	1,022	1,878
Operating lease rentals:		
- plant and machinery	140	101
- other	767	693
Auditor's remuneration		
- Fees payable to the company's auditor for the audit of the company's annual accounts	30	30
- Other services relating to taxation	10	8
(Gain)/loss on foreign exchange	(27)	22

PerkinElmer Limited

Notes to the financial statements 52 week period ended 1 January 2017

6. Information regarding directors and employees

	Period ended 1 January 2017 £'000	Period ended 3 January 2016 £'000
	No.	No.
Average number of persons employed		
Production	108	112
Research and development	22	16
IT and administration	27	37
	<u>157</u>	<u>165</u>

	Period ended 1 January 2017 £'000	Period ended 3 January 2016 £'000
Staff costs during the period (including directors)		
Wages and salaries	6,826	8,180
Social security costs	741	839
Pension costs (see note 16)		
- defined benefit	1,607	2,653
- defined contribution	206	192
	<u>9,380</u>	<u>11,864</u>

Included in the Staff costs is £98k (2016: £1,315k) incurred as restructuring in the period

The number of directors who were members of pension schemes is as follows:

	Period ended 1 January 2017 £'000	Period ended 3 January 2016 £'000
Defined benefit scheme	1	1

	Period ended 1 January 2017 £'000	Period ended 3 January 2016 £'000
Director's remuneration during the period		
Remuneration	187	211
Contributions to defined benefit schemes	7	28
	<u>194</u>	<u>239</u>

PerkinElmer Limited

Notes to the financial statements 52 week period ended 1 January 2017

7. Tax charge on profit on ordinary activities

(a) Analysis of charge in the period

	Period ended 1 January 2017 £'000	Period ended 3 January 2016 £'000
Current tax		
UK corporation tax of 20% (2016: 20.25%)	-	-
Adjustment in respect of prior periods	(37)	(199)
Total current tax (credit)	(37)	(199)
Deferred tax		
Origination and reversal of timing differences	289	737
Adjustment in respect of prior periods	99	(550)
Total deferred tax charge	388	187
Total tax charge / (credit) on profit on ordinary activities (note 7c)	351	(12)
(b) Deferred tax charged / (credited) to other comprehensive income		
Actuarial gain / (loss) on pension scheme	72	(52)

PerkinElmer Limited

Notes to the financial statements 52 week period ended 1 January 2017

7. Tax charge on profit on ordinary activities (continued)

(c) Factors affecting total tax charge / (credit) in the period

The difference between the total tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	Period ended 1 January 2017 £'000	Period ended 3 January 2016 £'000
Profit on ordinary activities before tax	2,347	4,243
Tax at 20% (2016: 20.25%) thereon	469	859
Effects of:		
Expenses not deductible for tax purposes	31	16
Group relief for nil consideration	-	(82)
Research and development tax credit	15	(54)
Reduced tax rate on deferred tax balances	(252)	(2)
Adjustment in respect of prior period	62	(749)
Tax losses carried forward	26	-
Total tax charge / (credit) for the period (note 7a)	351	(12)

Reductions to the UK corporation tax rate have been announced that will have an impact on the future tax charges. The change in the corporation tax rate to 19% from 1 April 2017 and to 17% from 1 April 2020 has been enacted at the Statement of Financial Position date and the deferred tax balance has been adjusted to reflect this change (note 10).

PerkinElmer Limited

Notes to the financial statements 52 week period ended 1 January 2017

8. Tangible fixed assets

	Leasehold improvements £'000	Fixtures and fittings £'000	Plant and Machinery £'000	Total £'000
Cost				
At 3 January 2016	850	705	3,475	5,030
Additions	68	63	527	658
Disposals	-	-	(3)	(3)
At 1 January 2017	918	768	3,999	5,685
Depreciation				
At 3 January 2016	495	481	2,664	3,640
Charge for the year	106	59	510	675
Disposals	-	-	(3)	(3)
At 1 January 2017	601	540	3171	4312
Net book value				
At 1 January 2017	317	228	828	1,373
At 3 January 2016	355	224	811	1,390

9. Debtors

	1 January 2017 £'000	3 January 2016 £'000
Amounts owed by group undertakings	36,825	35,139
Other debtors	298	267
Corporation tax	1,131	964
Prepayments and accrued income	921	817
	39,175	37,187

PerkinElmer Limited

Notes to the financial statements 52 week period ended 1 January 2017

10. Deferred tax liability

	£'000
Deferred tax liability at 3 January 2016	(1,040)
Charge to other comprehensive income (note 7)	(72)
Charge to profit and loss account (note 7)	(388)
Deferred tax liability at 1 January 2017	<u>(1,500)</u>

The amounts of deferred tax recognised are as follows:

	1 January 2017 £'000	Charge to profit and loss	Charge to other comprehensive income	3 January 2016 £'000
Capital allowances in excess of depreciation	184	(132)	-	316
Short term timing differences	12	(279)	-	291
Pension costs	(1,696)	23	(72)	(1,647)
	<u>(1,500)</u>	<u>(388)</u>	<u>(72)</u>	<u>(1,040)</u>

11. Creditors: amounts falling due within one year

	1 January 2017 £'000	3 January 2016 £'000
Trade creditors	1,250	872
Amounts owed to group undertakings	123	11
Other taxation and social security	1,196	837
Accruals and deferred income	1,088	1,028
	<u>3,657</u>	<u>2,748</u>

12. Called up share capital

	1 January 2017 £'000	3 January 2016 £'000
Authorised		
30,000,000 ordinary shares of £1 each	<u>30,000</u>	<u>30,000</u>
Allotted, called up and fully paid		
23,466,049 ordinary shares of £1 each	<u>23,466</u>	<u>23,466</u>

13. Reserves

Profit & loss account

The profit and loss account represents cumulative gains and losses recognised in the profit and loss account, net of dividends paid.

PerkinElmer Limited

Notes to the financial statements 52 week period ended 1 January 2017

14. Other financial commitments

Lease commitments

The company has entered into non-cancellable operating leases in respect of property and plant and machinery. The company's future minimum operating lease payments are as follows:

	1 January 2017		3 January 2016	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Operating leases which expire				
within 1 year	767	105	767	140
between 2-5 years	3,037	91	3,068	197
After 5 years	7,057	-	7,792	-
	<u>10,861</u>	<u>196</u>	<u>11,627</u>	<u>336</u>

15. Related party transactions

The company is a wholly owned subsidiary of PerkinElmer Inc and as such has taken advantage of the exemption permitted by Section 33 'Related party disclosures' not to provide disclosures of transactions entered into with other wholly owned members of the group. Outstanding amounts due to and from the company with wholly owned members of the group are disclosed in note 9 & 11.

16. Pensions

PerkinElmer participates in the PerkinElmer (UK) Pension Scheme, a closed hybrid defined benefit and defined contribution scheme in the UK with PerkinElmer (UK) Holdings Limited and PerkinElmer LAS (UK) Limited. The schemes are funded by the payment of contributions to separately administered trust funds. PerkinElmer Limited is the sponsoring employer of the defined benefit pension scheme and has legal responsibility for the plan. There is no contractual arrangement or stated policy for charging the net defined benefit cost of the plan as a whole to individual group entities and therefore the company has recognised the entire net defined benefit cost and the relevant net defined benefit liability of the defined benefit scheme in its individual financial statements.

The valuation used has been based on the most recent actuarial valuation at 30 June 2015 and was updated by Willis Towers Watson to take account of the requirements of FRS 102 in order to assess the liabilities of the schemes at 1 January 2017 and 3 January 2016. Scheme assets are stated at their market values at the respective Statement of Financial Position dates and overall expected rates of return are established by applying published brokers' forecasts to each category of scheme assets.

The company provides pension arrangements to the majority of full time employees through defined benefit and defined contribution schemes. The related costs are assessed in accordance with the advice of professionally qualified actuaries. The pension cost for the period for the defined benefit scheme was £1,607,000 (2016: £2,653,000). The company also operates a defined contribution scheme for which the pension cost charge for the year amounted to £206,000 (2016: £192,000). At year end, contributions of £71,534 (2016: £77,561) due in respect of the current reporting period had not been paid over to the scheme. The assets and liabilities of the schemes are held independently of the group. The contribution rates have been set for the next period.

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Notes to the financial statements 52 week period ended 1 January 2017

16. Pensions (continued)

The assets and liabilities of the schemes at period end are:

	1 January 2017 £'000	3 January 2016 £'000
<i>Scheme assets at fair value</i>		
Equities	59,762	50,892
Bonds	63,099	51,097
Other	843	409
	<hr/>	<hr/>
Fair value of scheme assets	123,704	102,398
Present value of scheme liabilities	(113,725)	(94,163)
	<hr/>	<hr/>
	9,979	8,235
	<hr/>	<hr/>

The pension plan has not invested in any of the Company's own financial instruments nor in properties or other assets used by the company.

The changes in the present value of the defined benefit obligation is analysed as follows:

	1 January 2017 £'000	3 January 2016 £'000
At start of the period	94,163	94,448
Current service cost	766	793
Employee contributions	155	225
Interest cost	3,430	3,424
Curtailments and settlements	-	(441)
Benefits paid	(4,282)	(3,337)
Actuarial gains and losses	19,493	(949)
	<hr/>	<hr/>
At end of the period	113,725	94,163
	<hr/>	<hr/>

The changes in the present value of plan assets is analysed as follows:

	1 January 2017 £'000	3 January 2016 £'000
At start of the period	102,398	100,763
Actual return on plan assets	19,916	(1,209)
Interest income	3,735	3,663
Employer contributions	1,782	2,293
Employee contributions	155	225
Benefits paid	(4,282)	(3,337)
	<hr/>	<hr/>
At end of the period	123,704	102,398
	<hr/>	<hr/>

PerkinElmer Limited

Notes to the financial statements 52 week period ended 1 January 2017

16. Pensions (continued)

The amounts recognised in the company's profit and loss account and other comprehensive income for the year is analysed as follows:

	1 January 2017 £'000	3 January 2016 £'000
<i>Recognised in the Profit & loss account</i>		
Current service cost	766	793
Curtailments and settlements	-	(441)
Recognised in arriving at operating profit	766	352
Net interest on net defined benefit liability	(305)	(239)
Total recognised in the profit and loss account	461	113
	1 January 2017 £'000	3 January 2016 £'000
<i>Taken to other comprehensive income</i>		
Actual return on scheme assets	23,346	2,215
Less: amounts included in net interest on the net defined benefit liability	(3,430)	(3,424)
Other actuarial gains and losses	19,916 (19,493)	(1,209) 949
Remeasurement gains and losses recognised in other comprehensive income	423	(260)

PerkinElmer Limited

Notes to the financial statements 52 week period ended 1 January 2017

16. Pensions (continued)

The assumptions used are stated below.

	1 January 2017 %	3 January 2016 %
Main Assumptions		
Discount rate	3.69	3.65
Rate of increase in price inflation	3.10	3.15
Rate of increase in salaries	3.60	3.65
Rate of increase in salaries		
Post retirement mortality		
Current pensioners at 65 – male	23.0	23.0
Current pensioners at 65 – female	24.7	24.7
Future pensioners at 65 – male	24.5	24.5
Future pensioners at 65 – female	26.4	26.4
Rate of Increase of Pensions in Payment:		
PerkinElmer Ltd		
Pensions in respect of pre 2000 service	5.00	5.00
Pensions in respect of 2000 to 2006 service	2.90	2.95
Pensions in respect of post 2006 service	1.90	1.95
PerkinElmer LAS (UK) Ltd and PerkinElmer Ltd		
Pensions in respect of pre 1997 Service	0.00	0.00
Pensions in respect of 1997 to 2006 service	2.90	2.95
Pensions in respect of post 2006 service	1.90	1.95

Mortality

The assumption used is as agreed by the Trustees and the Company for the Scheme's 30 June 2015 funding valuation except that the future improvements in mortality were updated to be CMI 2015 to reflect latest available mortality information. Namely:

Base table: CMI Self Administered Pension Schemes (SAPS) "Normal Health Pensioner" tables for males and females respectively (S2NMA and S2NFA respectively) adjusted to allow for each member's year of birth with scaling factors per section as follows:

- EG&G: 98% males, 103% females
- PerkinElmer: 95% males, 100% females

Allowance for future improvements: Future improvements in line with the CMI 2015 Core Projections Model, with a long term trend of 1.5% pa for males and females.

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Notes to the financial statements 52 week period ended 1 January 2017

17. Ultimate parent company

PerkinElmer (UK) Holdings Limited, a company incorporated in the United Kingdom, is the immediate parent of the company. The ultimate parent company and controlling party is PerkinElmer Inc, a company incorporated in Massachusetts in the USA.

The smallest and largest groups of which PerkinElmer Limited is a member and for which consolidated financial statements are prepared is PerkinElmer Inc.

Consolidated financial statements for PerkinElmer Inc. are available from 940 Winter Street, Waltham, Massachusetts 02451, USA.

18. Other financial commitments

There is a composite guarantee between PerkinElmer Limited and various other group companies in favour of the Company's banker.

19. Transition to FRS102

The company transitioned to FRS 102 from previously extant UK GAAP as at 29 December 2014.

The impact from the transition to FRS 102 is as follows:

Reconciliation of equity at 29 December 2014	£'000
Equity Shareholder's funds at 29 December 2014 under previous UK GAAP	37,865
Deferred tax	(1,263)
Pension – recognition of group scheme	2,377
Equity Shareholder's funds at 29 December 2014 under FRS 102	<u>38,979</u>
Reconciliation of equity at 3 January 2016	£'000
Equity Shareholder's funds at 3 January 2016 under previous UK GAAP	38,959
Deferred tax	(1,017)
Pension – recognition of group scheme	5,085
Equity Shareholder's funds at 3 January 2016 under FRS 102	<u>43,026</u>

Defined benefit pension scheme

The company is a member of a group defined benefit pension plan that shares risks between entities under common control. Under previous UK GAAP this scheme was accounted for as a defined contribution scheme. Whereas under FRS 102 as the company is the sponsoring employer and therefore is legally responsible for the plan it has recognised the plan in its individual financial statements. At 29 December 2014 and 3 January 2016, the net surplus of the plan was £6,315,000 and £8,235,000 respectively.

PerkinElmer Limited

Notes to the financial statements 52 week period ended 1 January 2017

19. Transition to FRS102 (continued)

Deferred tax

A deferred tax liability has also been recognised in respect of the defined benefit pension scheme asset. Under previous UK GAAP this scheme had been recognised as a defined contribution scheme, whereas on transition to FRS 102 this is treated as a defined benefit scheme by the company as it is the sponsoring employer.

Reconciliation of profit and loss for the period ended 3 January 2016

	£'000
Profit for the period ended 3 January 2016 under previous UK GAAP	1,094
Deferred tax	194
Pension – recognition of group scheme	2,967
Profit for the period ended 3 January 2016 under FRS 102	<u>4,255</u>

Movement on pension scheme

Under previous UK GAAP the Defined Benefit Pension scheme, a group scheme of which PerkinElmer Limited is a member, was accounted for by the company as a defined contribution scheme. Under FRS 102, the scheme has been accounted for as a defined benefit scheme by the company as it is the sponsoring employer. The difference between the contributions paid and the defined benefit accounting recorded in profit and loss was a profit of £2,967,000 (additional expense under FRS 102).