

FSIR Holdings (UK) Limited

Annual report and financial statements for the year ended 31 December 2021

Company registration number: 05281644



FSIR HOLDINGS (UK) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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FSIR HOLDINGS (UK) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Directors

A Smith
D Norman
E Cameron
S W Ahmed

Company Secretary

Oakwood Corporate Secretary Limited
R Gregg

Registered office

3rd Floor
1 Ashley Road
Altrincham, Cheshire
WA14 2DT

Bankers

Bank Mendes Gans N.V.
Herengracht 619
1017 CE Amsterdam
The Netherlands

Solicitors

Addleshaw Goddard
1 St Peter's Square
Manchester
M2 3DE

Independent auditors

Mitchell Charlesworth LLP
Chartered Accountants & Business Advisors
Glebe Business Park
Lunts Heath Road
Widnes
WA8 5SQ

FSIR HOLDINGS (UK) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their strategic report on the company for the year ended 31 December 2021.

Review of the business

The principal activity of the company is that of a holding company that does not in itself trade. The company is a wholly owned subsidiary of Thermo Fisher Scientific Inc.

The company holds the entire share capital of FSWH Company LLC, a company established in Delaware, USA. That company has a subsidiary, which acts as a debt factoring company for US companies within the Thermo Fisher Scientific Inc. group.

Future developments

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

Result and key performance indicators

The loss for the financial year was \$23,450,000 (2020: \$22,155,000) which will be deducted from reserves. As at 31 December 2021 the company had net liabilities of \$204,955,000 (2020: \$181,505,000).

The directors consider detailed KPI analysis is not required for an understanding of the company's performance and financial position at 31 December 2021 as these are adequately detailed in the profit and loss account and the balance sheet.

Section 172 statement

The directors work to promote the success of the company, by considering the impact that their decisions may have on the company, along with the company's stakeholders, having regard to the requirements of section 172 (1) (a) – (f).

The company is a UK subsidiary of Thermo Fisher Scientific Inc., listed on the New York Stock Exchange. As the principal activity of the company is to act as a holding company for other entities in the group, the company has had no commercial business, employees, customers or suppliers other than transactions with other group companies during the period and, as such, the breadth of stakeholder and other considerations that would often apply in operating or commercial trading companies have generally not applied to the decisions made by the directors.

While section 172 (1) requires consideration of all stakeholders, including employees and suppliers, due to the nature of the company's operations within the wider group, it does not have any direct employee or supplier engagement. Engagement with these stakeholders is undertaken at group level.

Principal risks and uncertainties and financial risk management

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

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of changes in currency and interest rate volatility. Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board and are actively involved in evaluating and monitoring the company's assets and liabilities. The policies set by the board of directors are implemented by the company's finance department. The department has a policy and procedures manual that sets out specific guidelines to manage interest rate risk, credit risk and circumstances where it would be appropriate to use financial instruments to manage these.

The key financial risk to the company is the recoverability of the value of the \$200,812,193 investment in its subsidiary. This risk is mitigated by regular impairment reviews to ensure that the subsidiary companies have suffered no material diminution in value.

FSIR HOLDINGS (UK) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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.

Interest rate cash flow risk

The company only has interest bearing liabilities arise in the form of interest payable on group loans and a bank overdraft. As a result the management of cash flows is taken account of as part of the group's financing activity.

In order to ensure stability of cash outflows and hence manage interest rate risk, the company is supported by fellow group operations. The company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

COVID-19

The COVID-19 outbreak rapidly developed in 2021, with a significant number of infections causing a worldwide pandemic. Measures taken by the government to contain the virus impacted economic activity. Thermo Fisher Scientific Inc. took a number of measures to monitor, prevent and mitigate the effects of the COVID-19 virus such as safety and health measures for our people (social distancing, working from home etc.) and implementing additional protocols at our manufacturing sites to keep them operating safely. At this stage, management has determined that the impact of COVID-19 is limited due to the fact it is a holding company. The company will continue to monitor the situation and potential impact to our business.

On behalf of the Board

DocuSigned by:

231F19E0E41648D...
E Cameron
Director

1 April 2022

FSIR HOLDINGS (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report and the audited financial statements of the company for the year ended 31 December 2021.

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 (2020: £nil).

Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company Thermo Fisher Scientific Inc. The directors have received confirmation that Thermo Fisher Scientific Inc. intend to support the company for at least one year after these financial statements are signed. The directors have a reasonable expectation that the company has access to adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Financial risk management

Disclosures relating to these areas are included in the strategic report.

Directors

The directors who held office during the year and up to the date of signing the financial statements are given below:

A Smith
D Norman
E Cameron
S W Ahmed

Third party indemnity provision

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

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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

FSIR HOLDINGS (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Statement of disclosure of information to auditors

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Independent Auditors

The independent auditors, Mitchell Charlesworth LLP, have indicated their willingness to continue in office.

On behalf of the Board

DocuSigned by:

E Cameron
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Director

1 April 2022

FSIR HOLDINGS (UK) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FSIR HOLDINGS (UK) LIMITED

Opinion

We have audited the financial statements of FSIR Holdings (UK) Limited (the 'company') for the year ended 31 December 2021 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

FSIR HOLDINGS (UK) LIMITED INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FSIR HOLDINGS (UK) LIMITED

Matters on which we are required to report by exception

In the 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 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

Auditor's 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 auditor's 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

The nature of the industry and sector, control environment and business performance.

The companies' own assessment of the risks that irregularities may occur either as a result of fraud or error.

Results of our enquiries of management about their own identification and assessment of the risks of irregularities.

FSIR HOLDINGS (UK) LIMITED INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FSIR HOLDINGS (UK) LIMITED

Any matters we identified having obtained and reviewed the Companies documentation of their policies and procedures relating to:

- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- the internal procedures and controls established to mitigate risks of fraud or non-compliance with laws and regulations;

The matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

We considered the opportunities and incentives that may exist within the company for fraud and identified the greatest potential for fraud in the areas where management are required to exercise significant judgement.

We performed specific audit procedures to assess the risk of management override.

Audit response to risks identified

Our procedures to respond to the risks identified included the following:

- Enquiry of management, those charged with governance around actual and potential litigation and claims.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, 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 members those matters we are required to state to them 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 members, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Rob Davies

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Rob Davies (Senior Statutory Auditor)
for and on behalf of Mitchell Charlesworth LLP
Chartered Accountants and Statutory Auditors
Widnes
WA8 5SQ
1 April 2022

FSIR HOLDINGS (UK) LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER
2021
PROFIT AND LOSS ACCOUNT

		Year ended	
		31 December	
	Note	2021	2020
		\$'000	\$'000
Administrative expenses		(7)	(15)
Operating loss	5	(7)	(15)
Interest payable and similar expenses	7	(23,443)	(22,140)
Net interest expense	7	(23,443)	(22,140)
Loss before taxation		(23,450)	(22,155)
Tax on loss	8	—	—
Loss for the financial year		(23,450)	(22,155)


There is no difference between the loss for the year stated above and the total comprehensive expense for the year, therefore no separate statement of comprehensive income is presented in these financial statements.

FSIR HOLDINGS (UK) LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER
2021
BALANCE SHEET

		<u>As at 31 December</u>	
	Note	2021 \$'000	2020 \$'000
Fixed assets			
Investments	9	200,812	200,812
		200,812	200,812
Current assets			
Debtors	10	1	—
Creditors: amounts falling due within one year	10	(95,910)	(382,317)
Net current liabilities		(95,909)	(382,317)
Total assets less current liabilities		104,903	(181,505)
Creditors: amounts falling due after more than one year	11	(309,858)	—
Net liabilities		(204,955)	(181,505)
Capital and reserves			
Called up share capital	12	—	—
Share premium account		35,814	35,814
Accumulated losses		(240,769)	(217,319)
Total equity		(204,955)	(181,505)

The notes on pages 14 to 23 are an integral part of these financial statements.

The financial statements on pages 11 to 23 were authorised for issue by the board of directors on 1 April 2022 and were signed on its behalf

DocuSigned by:

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E Cameron

Director

FSIR Holdings (UK) Limited

Company registration number: 05281644

FSIR HOLDINGS (UK) LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER
2021
STATEMENT OF CHANGES IN EQUITY

		\$'000 Called up share capital	\$'000 Share premium account	\$'000 Accumulated losses	\$'000 Total equity
Balance as at	1 January 2020	—	35,814	(195,164)	(159,350)
Loss for the financial year		—	—	(22,155)	(22,155)
Total comprehensive expense for the year		—	—	(22,155)	(22,155)
Balance as at	31 December 2020	—	35,814	(217,319)	(181,505)
Balance as at	1 January 2021	—	35,814	(217,319)	(181,505)
Loss for the financial year		—	—	(23,450)	(23,450)
Total comprehensive expense for the year		—	—	(23,450)	(23,450)
Balance as at	31 December 2021	—	35,814	(240,769)	(204,955)

FSIR HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General Information

FSIR Holdings (UK) Limited ('the company') is an investment holding company that does itself not trade.

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

2. Statement of compliance

The individual financial statements of FSIR Holdings (UK) Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements.

Basis of preparation

These financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company Thermo Fisher Scientific Inc. The directors have received confirmation that Thermo Fisher Scientific Inc. intend to support the company for at least one year after these financial statements are signed. The directors have a reasonable expectation that the company has access to adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions.

Cash flow statement and related party disclosures

The company is included in the consolidated financial statements of Thermo Fisher Scientific Inc. which are publicly available. Consequently, as the company is a 100% owned subsidiary, the company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, Thermo Fisher Scientific Inc., includes the company's cash flows in its own consolidated financial statements. The company is also exempt under the terms of FRS 102 paragraph 33.1 from disclosing related party transactions with entities that are part of the Thermo Fisher Scientific Inc. group (see note 14).

FSIR HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

3. Summary of significant accounting policies (continued)

Consolidated financial statements

The financial statements contain information about FSIR Holdings (UK) Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent company, Thermo Fisher Scientific Inc., a company incorporated in the United States of America (see note 15). The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Thermo Fisher Scientific Inc. the address of the ultimate parent's registered office is 168 Third Avenue, Waltham, MA 02451, USA.

Foreign currency

(i) Functional and presentation currency

The company's functional and presentation currency is the US Dollar. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

(ii) Transactions and balances

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

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transactions would be included as an exchange gain or loss in the profit and loss account.

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents would be presented in the profit and loss account within 'Net interest (expense) / income'. All other foreign exchange gains and losses are presented in the profit and loss account within 'Administrative expenses'.

Interest income

Interest income is recognised using the effective interest rate method.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

FSIR HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

3. Summary of significant accounting policies (continued)

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Investments

Investments held as fixed assets are stated at cost less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

Cash and cash equivalents

Cash and cash equivalents include cash in hand only and if applicable bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

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

Financial assets

Basic financial assets, including cash and bank balances and other debtors, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

FSIR HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

3. Summary of significant accounting policies (continued)

Financial liabilities

Basic financial liabilities, including accruals and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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

Offsetting

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

Share capital

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

Share Premium

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

Distributions to equity holders

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

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.

FSIR HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

4 Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no critical accounting judgements made during the year.

(a) Critical accounting estimates and assumptions

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

(i) Impairment of 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.

(ii) Impairment of investments

The company makes an estimate of the recoverable value of investment in its subsidiary companies. When assessing impairment of investments, management considers factors including the current results of the company for the year and the net asset position. See note 9 for the carrying amount of the investments and any associated impairment provision. There were no adjustments to the carrying value of investments during the year.

5 Operating loss

The operating loss is stated after charging: the audit fee for the company \$3,000 (2020: \$ 3,250).

6 Employees and directors

The company had no employees or staff costs during the year (2020: nil).

The emoluments of the directors are paid by a fellow group company, Thermo Electron (Management Services) Limited, which makes no recharge to the company. The directors are directors of Thermo Electron (Management Services) Limited and a number of fellow subsidiaries and it is not possible to make an accurate apportionment of their emoluments in respect of their services to each of the subsidiaries. Their total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of Thermo Electron (Management Services) Limited.

FSIR HOLDINGS (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
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7 Net interest expense

Interest payable and similar expenses

	2021	2020
	\$'000	\$'000
Interest payable on overdrafts and bank loans	154	321
Interest payable on amounts owed to group undertakings	23,289	21,819
Total interest expense on financial liabilities not measured at fair value through profit or loss	23,443	22,140
Total interest payable and similar expenses	23,443	22,140

Net interest expense

	2021	2020
	\$'000	\$'000
Total interest payable and similar expenses	23,443	22,140
Net interest expense	23,443	22,140

FSIR HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

8 Tax on loss

Tax expense included in profit and loss:

	2021 \$'000	2020 \$'000
Current tax		
Total current tax	—	—
Deferred tax		
Total deferred tax	—	—
Tax on loss	—	—

Reconciliation of tax charge:

The tax assessed for the years 2021 and 2020 is different than the standard rate of corporation tax in the UK 19% (2020: 19%). The differences are outlined below:

	2021 \$'000	2020 \$'000
Loss before taxation	(23,450)	(22,155)
Loss before taxation multiplied by the standard rate of corporation tax in the UK	(4,456)	(4,209)
Effects of:		
Group relief surrendered for nil charge	4,456	4,209
Total tax charge for the year	—	—

Factors that may affect future tax charges:

The UK headline corporation tax rate for the period was 19% (2020: 19.00%). In the Spring Budget on 3 March 2021 it was announced that the UK Corporation Tax rate would increase to 25% with effect from 1 April 2023 and was substantively enacted on 24 May 2021.

FSIR HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

9 Investments

Subsidiary
undertakings
\$'000

Cost and net book value

At 31 December 2020 and 31 December 2021	200,812
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The Fixed asset investments comprise a 100% equity shareholding in FSWH Company LLC which is not publicly traded. The principal activity of the company and its subsidiary is the provision of trade finance and collection services.

The carrying value of investments is compared to estimated recoverable amounts, represented by the value in use of the investment. The directors believe that the carrying value of the investments is supported by their underlying net assets and cash flow estimates.

Analysed as:	2021
	\$'000
FSWH Company LLC	200,812

No dividends were received by the subsidiary undertakings during the year (2020: £nil).

The company's subsidiaries were as follows:

	Incorporated in	Share Class	Percentage held	Activity
FSWH Company LLC (Direct)	US	Ordinary	100%	Holding company
FSI Receivables Company LLC (Indirect)	US	Ordinary	100%	Trading company

Both companies are registered at 108 Lakeland Ave Dover, Delaware 19901, US

10 Debtors

	2021	2020
	\$'000	\$'000
Amounts owed by group undertakings	1	—

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

FSIR HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

10 Creditors: amounts falling due within one year

	2021 \$'000	2020 \$'000
Bank loans and overdrafts	50,793	50,628
Amounts owed to group undertakings	45,107	331,675
Accruals and deferred income	10	14
	95,910	382,317

The amounts owed to group undertakings include 5 loans (2020: 5 loans). All loans are repayable on demand.

1. Loan 1 has a principal amount of \$100 (2020: \$175,000,000) and bears interest at 7.2% (including overdue interest). As at 31 December 2021 accrued loan interest amounted to \$27,184,000 (2020: \$13,605,000). On 31 December 2020 the interest due was capitalized into a new loan (no.4)
2. Loan 2 has a principal amount of \$100 (2020: \$94,669,000) and bears interest at 7.2%. As at 31 December 2021 accrued loan interest amounted to \$13,632,000 (2020: \$6,816,000). On 31 December 2020 the interest due was capitalized into a new loan (no.5)
3. Loan 3 has a principal amount of \$100 (2020: \$19,416,000) and bears interest at 7.2%. As at 31 December 2021 accrued loan interest amounted to \$2,796,000 (2020: \$1,398,000).
4. Loan 4 has a principal amount of \$100 (2020: \$13,955,000) and bears interest at 7.2%. As at 31 December 2021 accrued loan interest amounted to \$1,005,000 (2020: \$nil).
5. Loan 5 has a principal amount of \$100 (2020: \$6,816,000) and bears interest at 7.2%. As at 31 December 2021 accrued loan interest amounted to \$491,000 (2020: \$nil).

All amounts owed to group undertakings are unsecured and interest is repayable annually in arrears on 31 December.

The bank loans and overdrafts are secured under a group banking arrangement under which all surplus cash balances are held as collateral against bank facilities advanced to group members

11 Creditors: amounts falling due after more than one year

	2021 \$'000	2020 \$'000
Amounts falling due between one and five years		
Amounts owed to group undertakings	309,858	—

As per 31 December 2021, a loan of \$309,858,000 is owed to a group undertakings and its due date is 31 December 2031. The loan bears interest at 6.2%. All amounts owed to group undertakings are unsecured and interest is repayable annually in arrears on 30 June.

FSIR HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

11 Financial Instruments

The company has the following financial instruments:

	Note	2021 \$'000	2020 \$'000
Financial assets that are debt instruments measured at amortised cost			
– Amounts owed by group undertakings	10	1	—
		1	—
Financial liabilities measured at amortised cost			
– Bank loans and overdrafts	10	50,793	50,628
– Amounts owed to group undertakings due within one year	10	45,107	331,675
– Accruals	10	10	14
– Amounts owed to group undertakings due greater than one year	11	309,858	—
		405,768	382,317

12 Called up share capital

	2021 \$	2020 \$
Allotted and fully paid		
103 (2020: 103) ordinary shares of £1	197	197

13 Contingent assets and liabilities

The company is a participant in a group banking arrangement under which all surplus cash balances are held as collateral for bank facilities advanced to group members. No liability is expected to arise under this arrangement.

14 Related party transactions

See note 6 for disclosure of the directors' remuneration.

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

15 Controlling parties

The immediate parent undertaking is FSIR Holdings (US) Inc. whose registered office is 108 Lakeland Ave Dover, Delaware 19901, United States of America.

The ultimate parent undertaking and controlling party is Thermo Fisher Scientific Inc. which is the largest and smallest group to consolidate these financial statements. The company is incorporated in the United States of America and its common stock is listed on the New York Stock Exchange. Copies of the financial statements of the ultimate parent company are publicly available and can be obtained from its headquarters at 168 Third Avenue, Waltham, MA 02451, USA.