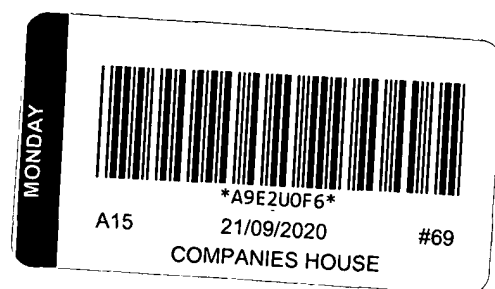


Registered number: 06548539

BBI DETECTION LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019



BBI DETECTION LIMITED

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BBI DETECTION LIMITED

COMPANY INFORMATION

Directors	R G A Couzens A E Peterson M P Gualano
Registered number	06548539
Registered office	Berry Smith LLP Haywood House Dumfries Place Cardiff CF10 3GA
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors One Kingsway Cardiff CF10 3PW

BBI DETECTION LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their annual report and the audited financial statements of BBI Detection Limited (the "Company") for the year ended 31 December 2019.

Directors

The directors who served during the year and up to the date of signing the financial statements were:

R G A Couzens
A E Peterson
M P Gualano

Events after the end of the reporting period

On 3 June 2020, the BBI Group has successfully secured a full refinancing of all its existing bank facilities. The new bank facilities comprise of a £115m Unitranche multicurrency facility, a €20m Acquisition/Capex facility and a £10m Super Senior Revolving Facility. The new facility allows for the full refinance of the Group's existing investments and to fund the acquisition of Diarect AG. on 3 June 2020. The new bank facility is secured against specified assets within the Group and expires in 2027.

On 3 June 2020, Vector Bidco Limited, a wholly owned subsidiary of Vector Topco Limited, acquired 100% of the share capital of BBI Group Holding Limited. Vector Topco Limited is controlled by Exponent Private Equity Partners IV, LP.

COVID-19

The COVID-19 pandemic in 2020 has caused uncertainty across the World, and most countries have implemented 'lock down' measures to mitigate the spread of the virus, which are having a material effect on communities and the economy. We have implemented plans to ensure that our employees stay safe and that we are able to continue to service our customers' demand. All our sites have continued to operate as an approved critical supplier in each country of operation.

BBI DETECTION LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Directors' responsibilities statement

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" Section 1A, and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

Directors' confirmations

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.

Independent auditors

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

Small companies exemption

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

BBI DETECTION LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

This report was approved by the board and signed on its behalf by:

Richard Couzens

R G A Couzens
Director

Date: *9 July 2020*

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BBI DETECTION LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, BBI Detection Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2019; the Statement of Comprehensive Income, and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BBI DETECTION LIMITED (CONTINUED)

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

BBI DETECTION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BBI DETECTION LIMITED (CONTINUED)

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

KE Finn

Katharine Finn (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cardiff
Date: *10 July 2020*

BBI DETECTION LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019	2018
	£000	£000
Finance income	478	2,597
Finance costs	(1,128)	-
(Loss)/profit before taxation	(650)	2,597
Tax on (loss)/profit	-	628
(Loss)/profit for the financial year	(650)	3,225
Total comprehensive (expense)/income for the financial year	(650)	3,225

The notes on pages 11 to 14 form part of these financial statements.

BBI DETECTION LIMITED
REGISTERED NUMBER: 06548539

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £000	2018 £000
Current assets			
Debtors: amounts falling due after more than one year	5	37,679	38,329
Debtors: amounts falling due within one year	5	8,770	8,772
Cash at bank and in hand		4	2
Total assets less current liabilities		46,453	47,103
Capital and reserves			
Called up share capital		-	-
Profit and loss account		46,453	47,103
Total shareholders' funds		46,453	47,103

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements on pages 8 to 14 were approved and authorised for issue by the board and were signed on its behalf by:

Richard Couzens

R G A Couzens
 Director

Date: *9 July 2020*

The notes on pages 11 to 14 form part of these financial statements.

BBI DETECTION LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £000	Profit and loss account £000	Total shareholders' funds £000
At 1 January 2018	-	43,878	43,878
Comprehensive income for the financial year			
Profit for the financial year	-	3,225	3,225
Total comprehensive income for the financial year	-	3,225	3,225
At 31 December 2018 and 1 January 2019	-	47,103	47,103
Comprehensive expense for the financial year			
Loss for the financial year	-	(650)	(650)
Total comprehensive expense for the financial year	-	(650)	(650)
At 31 December 2019	-	46,453	46,453

The notes on pages 11 to 14 form part of these financial statements.

BBI DETECTION LIMITED

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

1. GENERAL INFORMATION

BBI Detection Limited (the "Company") is a private company limited by shares and is incorporated in the United Kingdom and domiciled in England and Wales. The address of its registered office is Berry Smith LLP Haywood House, Dumfries Place, Cardiff, CF10 3GA.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared on going concern basis, under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied consistently throughout the year:

2.2 DEBTORS

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.3 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

2.4 FINANCIAL INSTRUMENTS

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

(i) Financial assets

Basic financial assets, including amounts owed by group undertakings and cash and bank balances, 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 a 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.

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

2. ACCOUNTING POLICIES (CONTINUED)

2.4 FINANCIAL INSTRUMENTS (CONTINUED)

(ii) Financial liabilities

Basic financial liabilities, including amounts owed to group undertakings and other creditors, 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 payments discounted at a market rate of interest.

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

(iii) 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.

2.5 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost 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 resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income where the original transaction was recorded.

2.6 FINANCE COSTS

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 FINANCE INCOME

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

BBI DETECTION LIMITED

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

2. ACCOUNTING POLICIES (CONTINUED)

2.8 CURRENT TAXATION

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

Current or deferred taxation assets and liabilities are not discounted.

3. AUDITORS' REMUNERATION

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled £4,000 (2018: £4,000).

4. EMPLOYEES

The Company has no employees other than the directors.

Staff costs relate to costs recharged from BBI Resources Limited for staff who are contracted by this company. However, these costs are subsequently recharged to other trading companies within the BBI Group, via a management recharge which is included within administrative expenses, for the services that they perform.

The total emoluments of the directors are disclosed within Eagle SPV 3 Limited financial statements. Whilst this company receives a recharge from BBI Resources Limited for the directors who are contracted by this company, this is subsequently recharged to other trading companies within the BBI Group, via a management recharge, for the services that they perform. Therefore, it is not possible to apportion emoluments across the various group companies.

BBI DETECTION LIMITED

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

5. DEBTORS

	2019 £000	2018 £000
Amount falling due after more than one year		
Amounts owed by group undertakings	<u>37,679</u>	<u>38,329</u>
Amount falling due within one year		
Amounts owed by group undertakings	<u>8,770</u>	<u>8,772</u>

6. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent company is BBI Diagnostics Group Limited, which is incorporated in England and Wales. BBI Diagnostics Group Limited is ultimately owned and controlled by BBI Group Holding Limited, a company incorporated in England and Wales.

Eagle SPV 3 Limited is the smallest company in the group which prepares consolidated financial statements. Copies of the consolidated financial statements can be obtained from the Company at Berry Smith LLP, Haywood House, Dumfries Place, Cardiff, CF10 3GA.

BBI Group Holding Limited is the largest company in the group which prepares consolidated financial statements. Copies of the consolidated financial statements can be obtained from the Company at Berry Smith LLP, Haywood House, Dumfries Place, Cardiff, CF10 3GA.

BBI Group Holding Limited is controlled by Exponent Private Equity Partners III, LP, the general partner of which is Exponent Private Equity (Holdings) LLP. Exponent Private Equity Partners III, LP, is a collection of c30-40 investors and no one investor has beneficial ownership of more than 15%.

7. EVENTS AFTER THE END OF THE REPORTING PERIOD

On 3 June 2020, the BBI Group has successfully secured a full refinancing of all its existing bank facilities. The new bank facilities comprise of a £115m Unitranche multicurrency facility, a €20m Acquisition/Capex facility and a £10m Super Senior Revolving Facility. The new facility allows for the full refinance of the Group's existing investments and to fund the acquisition of Diarect AG. on 3 June 2020. The new bank facility is secured against specified assets within the Group and expires in 2027.

On 3 June 2020, Vector Bidco Limited, a wholly owned subsidiary of Vector Topco Limited, acquired 100% of the share capital of BBI Group Holding Limited. Vector Topco Limited is controlled by Exponent Private Equity Partners IV, LP.