

Registration number: 10348004

# Bio-Rad Services UK Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2020



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Bio-Rad Services UK Limited  
Registration number :10348004

## Company Information

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|                          |   |
|--------------------------|---|
| <b>Directors</b>         | R K Chopra<br>N D Schwartz  |
| <b>Company secretary</b> | Taylor Wessing Secretaries Limited                                    |
| <b>Registered office</b> | The Junction 3rd and 4th Floor<br>Station Road<br>Watford<br>WD17 1ET |
| <b>Solicitor</b>         | Taylor Wessing LLP<br>5 New Street Square<br>London<br>EC4A 3TW       |
| <b>Auditor</b>           | KPMG LLP<br>58 Clarendon Road<br>Watford<br>Hertfordshire<br>WD17 1DE |

Bio-Rad Services UK Limited  
Registration number :10348004

## Strategic Report

for the year ended 31 December 2020

The directors present their Strategic Report for the year ended 31 December 2020.

### Principal activity

The principal activity of the company is that of a shared services centre, providing back office accounting services to companies in the Bio-Rad Laboratories group based in Europe, the Middle East and Africa.

### Review of the business

The company is a wholly owned subsidiary of Bio-Rad Laboratories Inc., an entity incorporated in the State of Delaware, United States of America.

The company provides various customer care and finance support services for 46 affiliated entities and is remunerated on a cost plus mark up basis.

The company generated turnover of £8.2m (2019: £9.8m). The 16% reduction from last year is due to the lower operating costs. Employee related costs were significantly lower as the average head count reduced by 10 year on year. Travel and travel related expenses were also significantly lower due to the COVID-19 related travel ban for most of the year. Other variable operating costs related to the premises were also lower in 2020 as a result of COVID-19 and reduced use of facilities.

The company's key financial and other performance indicators during the year were as follows:

|                  | Unit | 2020  | 2019  |
|------------------|------|-------|-------|
| Turnover         | £000 | 8,233 | 9,807 |
| Operating profit | £000 | 206   | 304   |
| Profit after tax | £000 | 110   | 286   |

### Principal risks and uncertainties

The company has no specific exposure to price risk or cash flow risk. The company's principal financial assets are bank balances and cash and amounts due from group companies. The company is not considered to be exposed to credit risk on these financial assets as they are with other group companies. The credit risk on liquid funds is limited because counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The company does not enter into derivative financial instruments for hedging, speculative or any other purpose.

#### *Risk of the UK leaving the European Union*

The UK left the EU on 31 January 2020 and was in a transition period until 31 December 2020. The EU-UK Trade and Cooperation Agreement (Brexit deal) was signed on 30 December 2020 and is effective from 1 January 2021. The deal imposes additional rules and regulations to govern the transfer of goods and services between the United Kingdom and European Union. The risk exposure to the Company is low since the company has minimal supplies from vendors based in the European Union.

## **Strategic Report**

*for the year ended 31 December 2020 (continued)*

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### **Principal risks and uncertainties (continued)**

#### *COVID-19*

Whilst COVID-19 has affected global economies in 2020, the Bio-Rad Group, as well as the company have not been significantly adversely impacted by the pandemic. The Bio-Rad Group has been at the forefront of the PCR test market required for COVID testing, and has won a significant number of contracts with various governments to deliver PCR testing machines. As such, COVID-19 has not affected the company in an adverse way, as the company is still required to serve its group subsidiaries.

### **Statement by the directors in performance of their statutory duties in accordance with s172(1) of Companies Act 2006**

We acknowledge the importance of our key stakeholders in realising our strategy and business outcomes in the short and long term. We are conscientious about our responsibilities and duties to our stakeholders under section 172 of the Companies Act 2006.

#### *Our customers*

We continue to focus on providing our trading entities with the quality of financial support services that they expect, both to them, and to their customers.

#### *Our employees*

We want the company to be a great place to work, where employees are empowered to make decisions and can develop their skills and capabilities required to serve our customers' needs.

#### *The communities*

Our trading entities provide products and solutions to the Life Sciences industry, primarily university, hospital, biopharma, diagnostic and food testing laboratories. As such it is important that our business practices are ethical and transparent and adhere to the standards expected by communities in this regulated environment.

#### *The environment*

Our products, supply chain and operations all have an impact on the environment. We believe that, as a general matter, our policies, practices and procedures are properly designed to prevent unreasonable risk of environmental damage, and of resulting financial liability, in connection with our business.

#### *The shareholders*

We continue to create long-term, sustainable value for Bio-Rad shareholders by investing in financial operational excellence and efficiency of our operations.

#### *The suppliers*

We continue to strengthen the partnerships we have with our suppliers and those of our trading entities. We strive to be proactive in responding to and dealing with them.

Bio-Rad Services UK Limited  
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## Strategic Report

for the year ended 31 December 2020 (continued)

### Future developments

Whilst COVID-19 has affected global economies in 2020, the Bio-Rad Group, as well as the company have not been significantly adversely impacted by the pandemic. The Bio-Rad Group has been at the forefront of the PCR test market required for COVID testing, and has won a significant number of contracts with various governments to deliver PCR testing machines. As such, COVID-19 has not affected the company in an adverse way, as the company is still required to serve its group subsidiaries.

On 4th February 2021, the Bio-Rad Group announced its plans to centralise its finance and some non-finance related functions across EMEA to centralised teams located in Hungary and United Kingdom. This did not impact finance personnel as they were transitioned to either new or existing teams in the United Kingdom. However, the centralisation of non-finance functions did result in the reduction of personnel during 2021, as the roles were moved to newly created centralised teams in Hungary.

There are no other significant changes currently anticipated in the foreseeable future.

8 Dec 2021

Approved by the Board on ..... and signed on its behalf by:

DocuSigned by:



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N D Schwartz  
Director

## **Directors' Report**

*for the year ended 31 December 2020*

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The directors present their report and the financial statements for the year ended 31 December 2020.

### **Dividends**

The directors do not recommend the payment of a dividend (2019 - £nil).

### **Directors of the company**

The directors who held office during the year, and through to the date of this report, were as follows:

R K Chopra

N D Schwartz

### **Political and charitable donations**

The company made no disclosable political donations or incurred any disclosable political expenditure during the year (2019- £nil).

### **Going concern**

The company's business activities are described in the Strategic Report on page 2 and Directors' Report on page 5.

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons:

The directors prepared cash flow forecasts for the 15 month period to December 2022 which indicate that, taking account of reasonably plausible downside scenarios and the anticipated impact of COVID-19 on the operations and its financial resources the company has sufficient funds, through its cash pooling balance, to meet its liabilities as they fall due in the forecast period.

The company operates as a shared service centre and provides accounting services to certain other subsidiaries of the company's ultimate parent undertaking Bio-Rad Laboratories Inc. The ability of the company to continue as a going concern is therefore dependant on those entities continuing to trade and as result being able to pay the company for the services it provides to them. The directors have assessed the ability of those entities to continue to trade and considered a reasonably possible downside scenario in which there is a reduction in the number of group companies which use the company's services resulting in higher charges to those companies which continue to use the shared service centre.

In addition, the company holds its available cash in a group cash pooling arrangement. The nature of the agreement and structure of the cash pooling entity means that other subsidiaries of Bio-Rad Laboratories Inc are able to draw-down the company's cash and consequently the company is reliant on Bio-Rad Laboratories Inc to provide financial support in the event that the company is not able to access its cash balance as and when required.

Bio-Rad Services UK Limited  
Registration number :10348004

## **Directors' Report**

*for the year ended 31 December 2020 (continued)*

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### **Going concern (continued)**

Bio-Rad Laboratories Inc has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have enough funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

### **Other information**

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report.

### **Disclosure of information to the auditor**

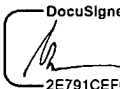
Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

### **Reappointment of auditor**

The auditor KPMG LLP is deemed to be reappointed under section 487(2) of the Companies Act 2006.

8 Dec 2021

Approved by the Board on ..... and signed on its behalf by:

DocuSigned by:  
  
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N D Schwartz  
Director



## **Statement of Directors' Responsibilities**

*for the year ended 31 December 2020*

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 UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 apply them consistently;
- make judgements and accounting 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **Independent Auditor's Report**

*to the Members of Bio-Rad Services UK Limited*

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### **Opinion**

We have audited the financial statements of Bio-Rad Services UK Limited ("the company") for the year ended 31 December 2020, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

### **Fraud and breaches of laws and regulations – ability to detect**

*Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

## **Independent Auditor's Report**

*to the Members of Bio-Rad Services UK Limited (continued)*

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### **Fraud and breaches of laws and regulations - ability to detect (continued)**

#### *Identifying and responding to risks of material misstatement due to fraud (continued)*

- Enquiring of directors as to the company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board meeting minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards and taking into account possible pressures to meet profit targets and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition as the company's turnover is contractual and comes from intragroup recharges.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included unusual account combinations for revenue and cash journals.

#### *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements

#### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

## **Independent Auditor's Report**

*to the Members of Bio-Rad Services UK Limited (continued)*

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### **Fraud and breaches of laws and regulations - ability to detect (continued)**

*Context of the ability of the audit to detect fraud or breaches of law or regulation (continued)*

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

### **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

## **Independent Auditor's Report**

*to the Members of Bio-Rad Services UK Limited (continued)*

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### **The purpose of our audit work and to whom we owe our responsibilities**

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.



.....  
Karen Tasker (Senior Statutory Auditor)  
For and on behalf of KPMG LLP, Statutory Auditor  
*Chartered Accountants*  
58 Clarendon Road  
Watford  
Hertfordshire  
WD17 1DE

Date:.. 10 December 2021

Bio-Rad Services UK Limited  
Registration number :10348004

**Profit and Loss Account**  
*for the year ended 31 December 2020*

|  | Note | 2020<br>£ 000  | 2019<br>£ 000  |
|--|------|----------------|----------------|
| Turnover                                     | 3    | 8,233          | 9,807          |
| Administrative expenses                      |      | <u>(8,027)</u> | <u>(9,503)</u> |
| Operating profit                             | 4, 5 | 206            | 304            |
| Other interest receivable and similar income | 6    | 3              | -              |
| Interest payable and similar expenses        | 7    | <u>(4)</u>     | <u>(20)</u>    |
| Profit before tax                            |      | 205            | 284            |
| Taxation                                     | 10   | <u>(95)</u>    | <u>2</u>       |
| Profit for the financial year                |      | <u>110</u>     | <u>286</u>     |

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

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## Balance Sheet


for the year ended 31 December 2020

|   | Note | 2020<br>£ 000 | 2019<br>£ 000 |
|---|------|---------------|---------------|
| <b>Fixed assets</b>                                   |      |               |               |
| Tangible assets                                       | 11   | 117           | 161           |
| <b>Current assets</b>                                 |      |               |               |
| Debtors   | 12   | 3,165         | 2,503         |
| Cash at bank and in hand                              |      | -             | 2             |
|   |      | 3,165         | 2,505         |
| <b>Creditors: Amounts falling due within one year</b> | 13   | (1,566)       | (1,154)       |
| <b>Net current assets</b>                             |      | 1,599         | 1,351         |
| <b>Net assets</b>                                     |      | 1,716         | 1,512         |
| <b>Capital and reserves</b>                           |      |               |               |
| Called up share capital                               | 15   | 750           | 750           |
| Profit and loss account                               | 16   | 966           | 762           |
| <b>Total equity</b>                                   |      | 1,716         | 1,512         |

8 Dec 2021

The financial statements were approved and authorised by the Board on ..... and signed on its behalf by:

DocuSigned by:



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N D Schwartz  
Director

The notes on pages 15 to 27 form an integral part of these financial statements.

Bio-Rad Services UK Limited  
Registration number :10348004

**Statement of Changes in Equity**  
*for the year ended 31 December 2020*

|                                  | Note | Share capital<br>£ 000 | Profit and<br>loss account<br>£ 000 | Total<br>£ 000 |
|----------------------------------|------|------------------------|-------------------------------------|----------------|
| At 1 January 2020                |      | 750                    | 762                                 | 1,512          |
| Profit for the year              |      | -                      | 110                                 | 110            |
| Share based payment transactions | 18   | -                      | 94                                  | 94             |
| At 31 December 2020              |      | <u>750</u>             | <u>966</u>                          | <u>1,716</u>   |

|                                  | Note | Share capital<br>£ 000 | Profit and<br>loss account<br>£ 000 | Total<br>£ 000 |
|----------------------------------|------|------------------------|-------------------------------------|----------------|
| At 1 January 2019                |      | 750                    | 346                                 | 1,096          |
| Profit for the year              |      | -                      | 286                                 | 286            |
| Share based payment transactions | 18   | -                      | 130                                 | 130            |
| At 31 December 2019              |      | <u>750</u>             | <u>762</u>                          | <u>1,512</u>   |



Bio-Rad Services UK Limited  
Registration number :10348004

## **Notes to the Financial Statements**

*for the year ended 31 December 2020*

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### **1 General information**

The company is a private company limited by share capital, incorporated, domiciled and registered in England in the UK.

The address of its registered office is:  
The Junction 3rd and 4th Floor  
Station Road  
Watford  
WD17 1ET

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

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

#### **Statement of compliance**

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

#### **Basis of preparation**

These financial statements were prepared in accordance with applicable United Kingdom Accounting Standards, including FRS 102, and with the Companies Act 2006. These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are presented in pound sterling. The company's functional and presentation currency is the pound sterling.

#### **Critical accounting judgements and 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 balance sheet 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. There are no significant areas of estimation for the company in preparing the financial statements for the current year.

#### **Summary of disclosure exemptions**

The company's ultimate parent undertaking, Bio-Rad Laboratories Inc. includes the company in its consolidated financial statements. The consolidated financial statements of Bio-Rad Laboratories Inc. are prepared in accordance with US Generally Accepted Accounting Policies and are available to the public and may be obtained from 1000 Alfred Nobel Drive, Hercules, California 94547, USA. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

Bio-Rad Services UK Limited  
Registration number :10348004

## **Notes to the Financial Statements**

*for the year ended 31 December 2020 (continued)*

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### **2 Accounting policies (continued)**

- from disclosing the company key management personnel compensation;
- from disclosing transactions with other wholly owned entities for the period that they form part of the same group;
- from preparing a statement of cash flows and the related notes on the basis that it is a qualifying entity and its ultimate parent company, Bio-Rad Laboratories Inc., includes the company's cash flows in its own consolidated financial statements; and
- from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, including:
  - categories of financial instruments;
  - items of income, expenses, gains or losses relating to financial instruments; and
  - exposure to management of financial risks.

### **Name of parent of group**

These financial statements are consolidated in the financial statements of Bio-Rad Laboratories, Inc.

The financial statements of Bio-Rad Laboratories, Inc may be obtained from Company Secretary, Bio-Rad Laboratories, Inc., 1000 Alfred Nobel Drive, Hercules, California 94547, USA.

### **Going concern**

The company's business activities are described in the Strategic Report on page 2 and Directors' Report on page 5.

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons:

The directors prepared cash flow forecasts for the 15 month period to December 2022 which indicate that, taking account of reasonably plausible downside scenarios and the anticipated impact of COVID-19 on the operations and its financial resources the company has sufficient funds, through its cash pooling balance, to meet its liabilities as they fall due in the forecast period.

The company operates as a shared service centre and provides accounting services to certain other subsidiaries of the company's ultimate parent undertaking Bio-Rad Laboratories Inc. The ability of the company to continue as a going concern is therefore dependant on those entities continuing to trade and as result being able to pay the company for the services it provides to them. The directors have assessed the ability of those entities to continue to trade and considered a reasonably possible downside scenario in which there is a reduction in the number of group companies which use the company's services resulting in higher charges to those companies which continue to use the shared service centre.

In addition, the company holds its available cash in a group cash pooling arrangement. The nature of the agreement and structure of the cash pooling entity means that other subsidiaries of Bio-Rad Laboratories Inc are able to draw-down the company's cash and consequently the company is reliant on Bio-Rad Laboratories Inc to provide financial support in the event that the company is not able to access its cash balance as and when required.

## **Notes to the Financial Statements**

*for the year ended 31 December 2020 (continued)*

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### **2 Accounting policies (continued)**

#### **Going concern (continued)**

Bio-Rad Laboratories Inc has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have enough funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

#### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the company's activities. Turnover is shown net of value added tax.

The company recognises revenue when: (a) the amount of revenue can be reliably measured; (b) it is probable that future economic benefits will flow to the entity; and (c) the specific criteria detailed below has been met.

##### *Services rendered*

Revenue from the provision of shared service centre services is recognised on a cost plus basis as the cost is incurred in accordance with the arrangement between the parties.

#### **Foreign currency transactions and balances**

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

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

#### **Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are 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 the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

**Notes to the Financial Statements**  
*for the year ended 31 December 2020 (continued)***2 Accounting policies (continued)****Tangible assets**

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

**Depreciation**

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

| <b>Asset class</b>                | <b>Depreciation method and rate</b> |
|-----------------------------------|-------------------------------------|
| Assets under construction         | No depreciation until in use        |
| Furniture, fittings and equipment | 10% - 33.33% straight line basis    |

**Impairment of non-financial assets**

The carrying amounts of the company's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

**Notes to the Financial Statements**  
*for the year ended 31 December 2020 (continued)***2 Accounting policies (continued)****Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

**Share capital**

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

**Share based payments**

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

Where the company is charged for the cost of share-based payment arrangements the amounts are treated as a reduction in the capital contribution. If the amount charged is in excess of the share-based payment charge the company treats the excess as a notional distribution and charges this to retained earnings.

**3 Revenue**

The analysis of the company's revenue for the year from continuing operations is as follows:

|                       | 2020  | 2019  |
|-----------------------|-------|-------|
|                       | £ 000 | £ 000 |
| Rendering of services | 8,233 | 9,807 |

The analysis of the company's turnover for the year by market is as follows:

|        | 2020  | 2019  |
|--------|-------|-------|
|        | £ 000 | £ 000 |
| Europe | 8,233 | 9,807 |

**4 Operating profit**

Arrived at after charging:

|                                 | 2020  | 2019  |
|---------------------------------|-------|-------|
|                                 | £ 000 | £ 000 |
| Depreciation expense            | 44    | 61    |
| Foreign exchange (gains)/losses | (1)   | 7     |
| Operating lease expense         | 51    | 25    |

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**Notes to the Financial Statements**  
*for the year ended 31 December 2020 (continued)*

**5 Auditor's remuneration**

|                                   | 2020<br>£ 000 | 2019<br>£ 000 |
|-----------------------------------|---------------|---------------|
| Audit of the financial statements | <u>57</u>     | <u>50</u>     |

**6 Other interest receivable and similar income**

|   | 2020<br>£ 000 | 2019<br>£ 000 |
|---|---------------|---------------|
| Interest receivable from group undertakings | <u>3</u>      | <u>-</u>      |

**7 Interest payable and similar expenses**

|   | 2020<br>£ 000 | 2019<br>£ 000 |
|---|---------------|---------------|
| Interest payable on loans from group undertakings | <u>4</u>      | <u>20</u>     |

**8 Staff costs and numbers**

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

|  | Note | 2020<br>£ 000 | 2019<br>£ 000 |
|--|------|---------------|---------------|
| Wages and salaries                         |      | 5,350         | 5,966         |
| Social security costs                      |      | 640           | 670           |
| Pension costs, defined contribution scheme |      | 203           | 249           |
| Share-based payment expenses               | 18   | <u>94</u>     | <u>130</u>    |
|  |      | <u>6,287</u>  | <u>7,015</u>  |

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

|                            | 2020<br>No. | 2019<br>No. |
|----------------------------|-------------|-------------|
| Administration and support | <u>112</u>  | <u>122</u>  |

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**Notes to the Financial Statements**  
*for the year ended 31 December 2020 (continued)*

**9 Directors' remuneration**

The directors' remuneration for the year was as follows:

|  | 2020<br>£ 000 | 2019<br>£ 000 |
|--|---------------|---------------|
| Remuneration                                 | 119           | 118           |
| Contributions paid to money purchase schemes | 9             | 9             |
|  | <u>128</u>    | <u>127</u>    |

During the year the number of directors who were receiving benefits and share incentives was as follows:

|   | 2020<br>No. | 2019<br>No. |
|---|-------------|-------------|
| Accruing benefits under money purchase pension scheme | <u>1</u>    | <u>1</u>    |

Directors' emoluments for one of the directors has been borne by another group company. This director is also a director or officer of a number of companies within the Bio-Rad Laboratories Group. The director's services to the company do not occupy a significant amount of his time. As such the director does not consider that he has received any remuneration for his incidental services to the company for the current or prior period.

**10 Taxation**

Tax charged in the income statement

|   | 2020<br>£ 000 | 2019<br>£ 000 |
|---|---------------|---------------|
| <b>Current taxation</b>                                     |               |               |
| UK corporation tax  | 37            | 61            |
| UK corporation tax adjustment to prior periods              | <u>(9)</u>    | <u>-</u>      |
|   | <u>28</u>     | <u>61</u>     |
| <b>Deferred taxation</b>                                    |               |               |
| Arising from origination and reversal of timing differences | 67            | (52)          |
| Arising from changes in tax rates and laws                  | <u>-</u>      | <u>(11)</u>   |
| Total deferred taxation                                     | <u>67</u>     | <u>(63)</u>   |
| Tax expense/(receipt) in the profit and loss account        | <u>95</u>     | <u>(2)</u>    |

Bio-Rad Services UK Limited  
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**Notes to the Financial Statements**  
*for the year ended 31 December 2020 (continued)*

**10 Taxation (continued)**

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2019 - lower than the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

|   | 2020<br>£ 000 | 2019<br>£ 000 |
|---|---------------|---------------|
| Profit before tax   | 205           | 284           |
| Corporation tax at standard rate  | 39            | 54            |
| Expenses not deductible   | 11            | 2             |
| Deferred tax credit relating to changes in tax rates or laws              | -             | (11)          |
| Corporation tax adjustment to prior period                                | (9)           | -             |
| Tax increase/(decrease) from effect of exercise of employee share options | 54            | (47)          |
| Total tax charge/(credit)   | 95            | (2)           |

The tax rate for the current year is the same as the prior year.

The Finance (No.2) Act 2015 reduced the main rate of UK corporation tax to 19%, effective from 1 April 2017. A further reduction in the UK corporation tax rate to 17% was expected to come into effect from 1 April 2020 (as enacted by Finance Act 2016 on 15 September 2016). However, legislation introduced in the Finance Act 2020 (substantively enacted in March 2020) repealed the reduction of the corporation tax, thereby maintaining the current rate of 19%.

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023.

**Deferred tax**

Deferred tax assets at the year end comprise the following:

|                              | Asset<br>£ 000 |
|------------------------------|----------------|
| 2020                         |                |
| Accelerated tax depreciation | 10             |
| Share-based payments         | 76             |
|                              | 86             |



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## Notes to the Financial Statements

for the year ended 31 December 2020 (continued)

### 10 Taxation (continued)

|                              | Asset<br>£ 000 |
|------------------------------|----------------|
| <b>2019</b>                  |                |
| Accelerated tax depreciation | 7              |
| Share-based payments         | 146            |
|                              | <u>153</u>     |

### 11 Tangible assets

|                        | Furniture,<br>fittings and<br>equipment<br>£ 000 |
|------------------------|--|
| <b>Cost</b>            |  |
| At 1 January 2020      | <u>295</u>                                       |
| At 31 December 2020    | <u>295</u>                                       |
| <b>Depreciation</b>    |  |
| At 1 January 2020      | 134  |
| Charge for the year    | <u>44</u>  |
| At 31 December 2020    | <u>178</u>                                       |
| <b>Carrying amount</b> |  |
| At 31 December 2020    | <u>117</u>                                       |
| At 31 December 2019    | <u>161</u>                                       |

### 12 Debtors

|                                    | Note | 2020<br>£ 000 | 2019<br>£ 000 |
|------------------------------------|------|---------------|---------------|
| Amounts owed by group undertakings |      | 3,023         | 2,327         |
| Other debtors                      |      | 56            | 23            |
| Deferred tax assets                | 10   | <u>86</u>     | <u>153</u>    |
|                                    |      | <u>3,165</u>  | <u>2,503</u>  |

Amounts owed by group undertakings are unsecured and are repayable on demand. Interest is levied on outstanding balances at the rate of the 3 month LIBOR minus 0.1% p.a.

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**Notes to the Financial Statements**  
*for the year ended 31 December 2020 (continued)*

**13 Creditors**

|                                   | 2020<br>£ 000 | 2019<br>£ 000 |
|-----------------------------------|---------------|---------------|
| <b>Due within one year</b>        |               |               |
| Trade creditors                   | 108           | 99            |
| Amounts due to group undertakings | 53            | -             |
| Social security and other taxes   | 229           | 283           |
| Other creditors                   | 806           | 517           |
| Accruals                          | 305           | 139           |
| Corporation tax liability         | 65            | 116           |
|                                   | <u>1,566</u>  | <u>1,154</u>  |

Amounts owed to group undertakings are unsecured and are repayable on demand. Interest is levied on outstanding balances at the rate of the 3 month LIBOR plus 1.5% p.a.

**14 Pension and other schemes**

**Defined contribution pension scheme**

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £203,000 (2019 - £249,000).

Contributions totalling £96,000 (2019 - £39,000) were payable to the scheme at the end of the year and are included in other creditors.

**15 Share capital**

**Allotted, called up and fully paid shares**

|                            | 2020       |            | 2019       |            |
|----------------------------|------------|------------|------------|------------|
|                            | No. 000    | £ 000      | No. 000    | £ 000      |
| Ordinary shares of £1 each | <u>750</u> | <u>750</u> | <u>750</u> | <u>750</u> |

**Rights, preferences and restrictions**

There are no restrictions on the distribution of dividends and the repayment of capital.

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**Notes to the Financial Statements**  
*for the year ended 31 December 2020 (continued)*

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**16 Reserves**

**Called up share capital**

Called-up share capital represents the nominal value of shares that have been issued.

**Profit and loss account**

The profit and loss account reserve includes all current period retained profits and losses.

**17 Obligations under leases and hire purchase contracts**

**Operating leases**

The total of future minimum lease payments is as follows:

|   | 2020<br>£ 000 | 2019<br>£ 000 |
|---|---------------|---------------|
| Not later than one year                           | 50            | 18            |
| Later than one year and not later than five years | 14            | 26            |
|   | <u>64</u>     | <u>44</u>     |

The amount of non-cancellable operating lease payments recognised as an expense during the year was £51,000 (2019 - £25,000).

**Notes to the Financial Statements**  
*for the year ended 31 December 2020 (continued)***18 Share-based payments****Group share-based payment scheme****Scheme details and movements**

The ultimate parent company has various share-based compensation plans in place to help attract and retain personnel, to reward employees and directors for past services and to motivate such individuals through added incentives to further contribute to the success of the Group.

Restricted Stock Units (RSUs) in the parent company are granted to certain employees with a vesting period of 5 years at the rate of 20% per completed year, provided that employment continues beyond the date of the award. The RSUs are forfeited if this condition is not met.

The cost of an RSU is determined using the fair value of the parent company's common stock on the date of grant. An RSU award entitles the holder to receive shares of the parent company's common stock as the award vests. The total expense related to RSUs is amortised on a straight line basis over the vesting period.

The entity is part of a group share-based payment scheme and it recognises and measures its share-based payment expense on the basis of a reasonable allocation of the expense recognised for the group. The company recognises an equity-settled share-based payment expense based on a reasonable allocation of the total charge of the group. This allocation is the total charge of the group prorated for the number of RSU awards allocated to the company's employees.

The entity is part of a group share-based payment scheme and it recognises and measures its share-based payment expense on the basis of a reasonable allocation of the expense recognised for the group.

The following table summarises information about awarded RSUs.

|                            | 2020           |   | 2019           |   |
|----------------------------|----------------|---|----------------|---|
|                            | Number of RSUs | Weighted average grant date fair value \$ | Number of RSUs | Weighted average grant date fair value \$ |
| Outstanding at 1 January   | 2,875          | 293.16                                    | 2,671          | 263.86                                    |
| Awarded                    | 528            | 524.30                                    | 1,070          | 333.34                                    |
| Forfeited                  | (1,132)        | 288.45                                    | (246)          | 283.16                                    |
| Released                   | (476)          | 272.45                                    | (620)          | 240.25                                    |
| Outstanding at 31 December | <u>1,795</u>   | <u>369.62</u>                             | <u>2,875</u>   | <u>293.16</u>                             |

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**Notes to the Financial Statements**  
*for the year ended 31 December 2020 (continued)*

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**18 Share-based payments (continued)**

**Effect of share-based payments on profit or loss and financial position**

The total expense recognised in profit or loss for the year was £94,000 (2019 - £130,000).

The weighted average remaining service period for outstanding RSUs at 31 December 2020 was 3.11 years (2019 - 3.67 years).

**19 Related party transactions**

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

**20 Parent and ultimate parent undertaking**

The company's immediate parent is Bio-Rad Laboratories, Inc., incorporated in the USA.

These financial statements are available upon request from 1000 Alfred Nobel Drive, Hercules, California 94547, USA, the office of Bio-Rad Laboratories, Inc.

The most senior parent entity producing publicly available financial statements is Bio-Rad Laboratories, Inc. These financial statements are available upon request from 1000 Alfred Nobel Drive, Hercules, California 94547, USA. Bio-Rad Laboratories, Inc. is the only company preparing consolidated financial statements which include the company.