

Registration number: 03044694

Bio-Rad Laboratories Limited

Report and Financial Statements

for the year ended 31 December 2020



Bio-Rad Laboratories Limited

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Bio-Rad Laboratories Limited
Registration number :03044694

Company Information

| | |
|--------------------------|--|
| Directors | N D Schwartz J M Tweet R K Chopra |
| Company secretary | Taylor Wessing Secretaries Limited |
| Registered office | The Junction 3rd and 4th Floor Station Road Watford WD17 1ET |
| Solicitor | Taylor Wessing Secretaries Limited 5 New Street Square London EC4A 3TW |
| Auditor | KPMG LLP Challenge House Sherwood Drive Bletchley Milton Keynes MK3 6DP |

Bio-Rad Laboratories Limited
Registration number :03044694

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 the sale of chemicals, infra-red spectra of chemical compounds and equipment for medical and research purposes.

Review of the business

The company is a wholly owned subsidiary of Bio-Metrics (U.K.) Limited, registered in England and Wales, which is in turn a wholly owned subsidiary of Bio-Rad Laboratories Inc., an entity incorporated in the State of Delaware, United States of America. The company had a branch office in Israel until 1 April 2020 when the assets and liabilities were sold to a fellow group undertaking in Israel, Bio-Rad Hafia Limited. With effect from that date, all Israel branch selling activity ceased. The company is currently in the process of de-registering the branch.

The company generated revenues of £43.0m in 2020 (2019: £52.0m), which is a 17% decrease from last year. The decrease in revenue is partially due to the sale of the Israel branch operations. The revenue for 2019 includes a full year of trading, whereas in 2020, the revenue generated from the Israel branch is limited to the first quarter. The revenues were also impacted by COVID-19, particularly during Q2/2020. The sales teams were not able to visit customers based in hospitals but remained in close contact. During this period, certain testing instruments were very much in demand, however manufacturing capacity limitations were constraining deliveries in the short term. Revenues started to show signs of recovery in Q3/2020 as the country and the company adapted to the pandemic.

The company saw increased sales in the Life Science Group division year on year where there has been high demand for CFX instruments and PCR testing because of the pandemic, however this has been offset by a decline in sales within the Clinical Diagnostics Group division due to reduced elective operations by hospitals, as hospital beds have been prioritised for COVID-19 patients.

The balance sheet shows that the company financial position at the end of the year remains strong with significant current and net assets. The strength of the company and group ensure that the company is well placed to service customers and develop the business.

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

| | Unit | 2020 | 2019 |
|-------------------|-------|--------|--------|
| Turnover | £ 000 | 42,967 | 52,042 |
| Gross profit | % | 19 | 28 |
| Operating profit | £ 000 | 681 | 2,511 |
| Profit before tax | £ 000 | 721 | 3,117 |
| Net assets | £ 000 | 26,164 | 25,147 |

The company will continue to maintain its strong customer relations both in the area of clinical diagnostics and life science, and furthermore continue to support these sectors with the supply of appropriate equipment, to help the fight against COVID-19.

The directors will also continue to closely monitor the impact of the current situation and take action to mitigate its impact as necessary.

Strategic Report

for the year ended 31 December 2020 (continued)

Principal risks and uncertainties

Market risk

The clinical diagnostics market is highly competitive. Some of the company's competitors have greater financial resources making them better equipped to license technologies and intellectual property from third parties or to fund research and development, manufacturing and marketing efforts.

The company's competitors can be expected to continue to improve the design and performance of their products and to introduce new products with competitive price and performance characteristics.

Bio-Rad group and the company are committed to continue investing in research and development to ensure it is at the forefront of any new developments in technology to support product development and creating new products. The Bio-Rad group and the company are also committed to invest in sales and marketing, and customer service and support, to ensure it gains and maintains its competitive advantage in the market.

Product risk

The company's future success depends on the ability of the Bio-Rad group to continue to improve its product offerings and develop and introduce new product lines and extensions that integrate new technological advances. The Bio-Rad group continues to invest heavily in new product development, however there remains a risk that such products will not receive timely market acceptance.

Customer risk

The business is impacted by constraints on NHS budgets, in particular with regard to capital expenditure on instruments. Bio-Rad is continuing to focus on providing flexible solutions to retain its competitive advantage. A large proportion of the company's business is transacted with the NHS either directly or indirectly, where significant long term relationships have been built, and overall indications are that the market for the company's products will continue into the foreseeable future. The capital spending plans of other customers can also have a significant impact on the future demand for the company's products.

Exit from 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. This is likely to lead to an increase in costs and administrative requirements of trading with the European Union.

Strategic Report

for the year ended 31 December 2020 (continued)

Financial instruments

Objectives and policies

The company is exposed to financial risk through its financial assets and liabilities. The most important components of financial risk are interest rate risk, credit risk, currency risk, liquidity risk, cash flow risk and price risk. Due to the nature of the company's business and assets and liabilities contained within the company's balance sheet, the only financial risks the directors consider relevant to this company are credit risk and liquidity risk. These risks are mitigated by the nature of the debtor balances owed, with many of these due from other group companies who are able to repay them if required plus the UK NHS, a UK public organisation. The company's exposure to currency risk is considered to be insignificant as only a small percentage of transactions are carried out in Euros or the Israel Shekel, the remaining transactions being in Sterling.

Section 172(1) statement

The company has continued to perform well during the year which is reflected by the profit for the year. Guided by the company's strategic drivers, the company continues to create value for customers, employees, suppliers and shareholders.

The directors recognise the importance of our wider stakeholders in delivering our strategy and business sustainability. We are conscientious about our responsibilities and duties to our stakeholders under section 172 of the Companies Act 2006.

The customers

We continue to focus on providing customers with quality products at competitive prices.

The 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 to serve our customers' needs.

The communities

Our products, services and people are beneficial to the communities in which we operate. Our place at the heart of our communities also makes it important that our business practices are ethical and transparent.

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 our shareholders, by investing in our competitiveness in our chosen markets.

The suppliers

We continue to strengthen the partnerships we have with our suppliers to deliver great quality products to our customers, at great value.

Bio-Rad Laboratories Limited
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Strategic Report
for the year ended 31 December 2020 (continued)

Future developments

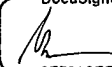
Whilst COVID-19 has affected global economies in 2020, the Bio-Rad group, as well as the company have not been significantly adversely impacted by the pandemic. The Bio-Rad group and the company have been at the forefront of the PCR test market required for COVID-19 testing, and has won a significant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

On 4 February 2021, the Bio-Rad group announced its plans to centralise its finance functions across EMEA to centralised teams located in Hungary and United Kingdom. The United Kingdom based finance function for the company, was impacted by this centralisation, however management have closely monitored the transition during 2021 to ensure it has been conducted timely without any adverse impact to the company. The company has benefited from the centralisation as there are now specialised teams overseeing the various finance functions, which has brought in synergies and process efficiencies.

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

Bio-Rad Laboratories Limited
Registration number :03044694

Directors' Report

for the year ended 31 December 2020

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 were as follows:

N D Schwartz

J M Tweet

P Howard (resigned 11 February 2021)

The following director was appointed after the year end:

R K Chopra (appointed 24 February 2021)

Political donations

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

Branches outside the United Kingdom

The company operated a branch in Israel until 1 April 2020 (Israel Branch of Bio-Rad Laboratories Limited). The trade and assets of the branch were sold to a fellow group undertaking as detailed in the strategic report.

Going concern

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

The company purchases its stock from companies within the group headed by its ultimate parent undertaking, Bio-Rad Laboratories Inc, and those purchases are governed by a transfer pricing agreement. The activities of the company and hence its ability to continue as a going concern are therefore reliant on the continuing operation of the group and the continuing operation of the transfer pricing agreements.

The company has prepared cash flow forecasts covering the period to 31 December 2022. The forecasts take in to consideration the anticipated impact of COVID-19 and possible downside scenarios including the scenario in which growth is delayed by a year with no changes in the company's fixed cost base. Based on the findings, the directors have concluded that the company will be able to continue to supply products for the UK market.

In this downside scenario, the company will be able to meet its liabilities as they fall due from its available cash balances, however, the company holds some of its available cash in a group cash pooling arrangement. The nature of the agreement and structure of the cash pooling arrangement means other subsidiaries of Bio-Rad Laboratories Inc. are able to drawdown 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 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.

Directors' Report*for the year ended 31 December 2020 (continued)***Going concern (continued)**

Consequently, the directors are confident that the company will have sufficient 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.

Streamlined energy and carbon reporting

This is the first year that the company has been subject to the Streamlined Energy and Carbon Reporting requirements and, as allowed by the guidance, no comparatives are given. This report only considers the emissions of the UK operations. All emissions were incurred in delivering the company's services and the company does not resell any energy.

| | Location-Based GHG Emissions (tCO₂e) | Market-Based GHG Emissions (tCO₂e) |
|---|--|--|
| Scope 1: Fuel usage | 219.71 | 219.71 |
| Scope 2: Electricity generation | 30.59 | 49.46 |
| Scope 3: Electricity transmission and distribution | 2.63 | 2.63 |
| Grey fleet travel | 0.30 | 0.30 |
| Scope 3 Sub Total | 2.93 | 2.93 |
| Total tonnes of CO₂e | 253.23 | 272.10 |
| Tonnes of CO₂e per employee | 1.21 | 1.30 |
| Tonnes of CO₂e per £1m of revenue | 5.89 | 6.33 |

Market-based emissions takes into account the organisation's purchasing decisions (i.e. its chosen energy supplier), whereas location-based emissions are based on the fuel mix of the UK's national energy grid.

The directors believe the most relevant Intensity factors are shown in the table above.

Based on the reports and appraisals provided for the company, the company's largest contributor to the carbon footprint is fuel usage from company cars, however as of Q1 2021, the management of company cars has been transitioned to another group subsidiary outside of the UK.

Management currently have plans to consolidate the two floors that the company occupies at its premises into one floor. This is expected to reduce the electricity usage and the company is also in the process of obtaining permission from the landlord to install LED energy saving lights within the one remaining floor.

The introduction of flexible working as a result of COVID-19 means that there are fewer employees travelling into the office. This has also had an impact on the energy usage at the premises.

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 on pages 2 to 5.

Bio-Rad Laboratories Limited
Registration number :03044694

Directors' Report

for the year ended 31 December 2020 (continued)

Reappointment of auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

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.

8 Dec 2021

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

DocuSigned by:



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.....
N D Schwartz
Director

Bio-Rad Laboratories Limited

Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

The directors acknowledge their responsibilities for preparing the Strategic Report, 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; and
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and

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

Opinion

We have audited the financial statements of Bio-Rad Laboratories Limited (the "company") for the year ended 31 December 2020, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, and related Notes to the Financial Statements, 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 Laboratories Limited (continued)

Fraud and breaches of laws and regulations - ability to detect (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, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that revenue is recorded in the wrong period and the risk that management may be in a position to make inappropriate accounting entries.

We also performed procedures including:

- Identifying journal entries based on risk criteria and comparing the identified entries to supporting documentation. These included manual journal entries posted by users other than those in finance and accounting, journals posted to seldomly used accounts, journals posted to revenue with unusual pairings, unusual cash pairings and rounded and consistent journal entries.

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, 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.

Firstly, 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.

Secondly, the Company is subject to many other laws and regulations, where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of Company's license to operate. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law and GDPR. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Independent Auditor's Report

to the Members of Bio-Rad Laboratories Limited (continued)

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

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.

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 9, 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.

Independent Auditor's Report
to the Members of Bio-Rad Laboratories Limited (continued)

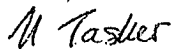
Auditor's responsibilities

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.

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
Challenge House
Sherwood Drive
Bletchley
Milton Keynes
MK3 6DP

Date: 9 December 2021

Bio-Rad Laboratories Limited
Registration number :03044694

Profit and Loss Account
for the year ended 31 December 2020

| | Note | 2020 £ 000 | 2019 £ 000 |
|--|------|-------------------|---------------------|
| Turnover | 3 | 42,967 | 52,042 |
| Cost of sales | | <u>(34,658)</u> | <u>(37,681)</u> |
| Gross profit | | 8,309 | 14,361 |
| Distribution costs | | (3,522) | (5,135) |
| Administrative expenses | | <u>(4,106)</u> | <u>(6,715)</u> |
| Operating profit | 4 | 681 | 2,511 |
| Income from shares in group undertakings | 12 | - | 5,220 |
| Amounts written off investments | 12 | - | (4,660) |
| Other interest receivable and similar income | 8 | 49 | 136 |
| Interest payable and similar expenses | 9 | <u>(9)</u> | <u>(90)</u> |
| Profit before tax | | 721 | 3,117 |
| Taxation | 10 | <u>156</u> | <u>(783)</u> |
| Profit for the financial year | | <u><u>877</u></u> | <u><u>2,334</u></u> |

The above results were derived from continuing operations.

Bio-Rad Laboratories Limited
Registration number :03044694

Statement of Comprehensive Income
for the year ended 31 December 2020

| | 2020 £ 000 | 2019 £ 000 |
|---|---------------|---------------|
| Profit for the year | 877 | 2,334 |
| Foreign currency translation losses on foreign branches | 12 | - |
| Total comprehensive income for the year | <u>889</u> | <u>2,334</u> |

Bio-Rad Laboratories Limited
Registration number :03044694

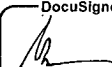
Balance Sheet

for the year ended 31 December 2020

| | Note | 2020 £ 000 | 2019 £ 000 |
|---|------|----------------|----------------|
| Fixed assets | | | |
| Tangible assets | 11 | 3,802 | 5,280 |
| Current assets | | | |
| Stocks | 13 | 2,095 | 4,137 |
| Debtors (including £447,000 (2019: £447,000) which is due after 1 year) | 14 | 21,645 | 23,250 |
| Cash at bank and in hand | | 7,544 | 3,310 |
| | | <u>31,284</u> | <u>30,697</u> |
| Creditors: Amounts falling due within one year | 15 | <u>(7,915)</u> | <u>(9,956)</u> |
| Net current assets | | <u>23,369</u> | <u>20,741</u> |
| Total assets less current liabilities | | 27,171 | 26,021 |
| Provisions for liabilities | 16 | <u>(1,007)</u> | <u>(874)</u> |
| Net assets | | <u>26,164</u> | <u>25,147</u> |
| Capital and reserves | | | |
| Called up share capital | 17 | 100 | 100 |
| Profit and loss account | 18 | <u>26,064</u> | <u>25,047</u> |
| Total equity | | <u>26,164</u> | <u>25,147</u> |

8 Dec 2021

The financial statements have been approved and authorised for issue by the Board on
and signed on its behalf by:

DocuSigned by:

.....2E7910EF0FD9404.....

N D Schwartz

Director

The notes on pages 18 to 35 form an integral part of these financial statements.

Bio-Rad Laboratories Limited
Registration number :03044694

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

| | | Called up share capital £ 000 | Profit and loss account £ 000 | Total £ 000 |
|----------------------------------|----|--|--|------------------------|
| At 1 January 2020 | | 100 | 25,047 | 25,147 |
| Profit for the year | | - | 877 | 877 |
| Other comprehensive income | | - | 12 | 12 |
| Total comprehensive income | | - | 889 | 889 |
| Share based payment transactions | 21 | - | 128 | 128 |
| At 31 December 2020 | | 100 | 26,064 | 26,164 |

| | | Called up share capital £ 000 | Profit and loss account £ 000 | Total £ 000 |
|----------------------------------|----|--|--|------------------------|
| At 1 January 2019 | | 100 | 22,625 | 22,725 |
| Profit for the year | | - | 2,334 | 2,334 |
| Total comprehensive income | | - | 2,334 | 2,334 |
| Share based payment transactions | 21 | - | 88 | 88 |
| At 31 December 2019 | | 100 | 25,047 | 25,147 |

Bio-Rad Laboratories Limited
Registration number :03044694

Notes to the Financial Statements

for the year ended 31 December 2020

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

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':

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 and rounded to thousands. 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. Significant areas of estimation for the company include the expected future cash flows applied in measuring the impairment debtors.

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:

Notes to the Financial Statements

for the year ended 31 December 2020 (continued)

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 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.

Group financial statements not prepared

The company is exempt from the requirement to prepare group financial statements by virtue of Section 401 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

Going concern

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

The company purchases its stock from companies within the group headed by its ultimate parent undertaking, Bio-Rad Laboratories Inc, and those purchases are governed by a transfer pricing agreement. The activities of the company and hence its ability to continue as a going concern are therefore reliant on the continuing operation of the group and the continuing operation of the transfer pricing agreements.

The company has prepared cash flow forecasts covering the period to 31 December 2022. The forecasts take in to consideration the anticipated impact of COVID-19 and possible downside scenarios including the scenario in which growth is delayed by a year with no changes in the company's fixed cost base. Based on the findings, the directors have concluded that the company will be able to continue to supply products for the UK market.

In this downside scenario, the company will be able to meet its liabilities as they fall due from its available cash balances, however, the company holds some of its available cash in a group cash pooling arrangement. The nature of the agreement and structure of the cash pooling arrangement means other subsidiaries of Bio-Rad Laboratories Inc. are able to drawdown 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 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.

Notes to the Financial Statements

for the year ended 31 December 2020 (continued)

2 Accounting policies (continued)

Going concern (continued)

Consequently, the directors are confident that the company will have sufficient 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.

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.

Revenue recognition

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services, and the hiring of equipment to customers under operating leases.

Revenue in respect of the sales of goods is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, which normally occurs upon dispatch.

Revenue for the provision of services is recognised over the period in which the service is provided.

Reagent agreements are a diagnostic industry sales method that provides use of an instrument and consumables (reagents) to a customer on a per test basis. Reagent agreements represent one unit of accounting as the instrument and consumables are interdependent in producing a diagnostic result that neither has a stand-alone value with respect to these agreements. All revenues earned under reagent agreements are recognised pursuant to the terms of each agreement and are based and entirely contingent upon either (i) when the consumables to conduct a fixed number of tests are delivered or (ii) as reported by the customer on a per test basis.

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.

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

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.

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:

| Asset class | Depreciation method and rate |
|-----------------------------------|-------------------------------------|
| Land and buildings | over the life of the lease |
| Furniture, fittings and equipment | 10% - 33.33% straight line basis |

Investments

Investments in subsidiaries are carried at cost less impairment.

Impairment of 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.

Notes to the Financial Statements

for the year ended 31 December 2020 (continued)

2 Accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks consist of goods held for resale and trunk spares, both of which are valued at the lower of cost and net realisable value. Cost comprises purchase price from suppliers determined on a first-in, first-out basis plus freight and duty charges. Net realisable value is based on estimated normal selling price less further costs expected to be incurred to disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

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.

Provisions

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

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.

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

2 Accounting policies (continued)**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.

Financial instruments***Classification***

Basic financial instruments, including trade receivables, trade payables, cash and bank balances, bank loans, and loans to and from group companies, are initially recognised at transaction price, unless the transaction constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Recognition and measurement

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

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

Impairment

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

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Notes to the Financial Statements

for the year ended 31 December 2020 (continued)

3 Turnover

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

| | 2020 | 2019 |
|-----------------------|---------------|---------------|
| | £ 000 | £ 000 |
| Sale of goods | 40,520 | 49,049 |
| Rendering of services | 2,447 | 2,993 |
| | <u>42,967</u> | <u>52,042</u> |

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

| | 2020 | 2019 |
|---------------|---------------|---------------|
| | £ 000 | £ 000 |
| UK | 40,516 | 43,525 |
| Rest of world | 2,451 | 8,517 |
| | <u>42,967</u> | <u>52,042</u> |

4 Operating profit/(loss)

Arrived at after charging/(crediting)

| | Note | 2020 | 2019 |
|--|------|----------|----------------|
| | | £ 000 | £ 000 |
| Depreciation expense | 11 | 1,933 | 1,869 |
| Foreign exchange losses/(gains) | | 62 | (64) |
| Operating lease expense - property | | 749 | 942 |
| Operating lease expense - plant and machinery | | 532 | 667 |
| Loss on disposal of tangible fixed assets | | 49 | 178 |
| Forgiveness of intercompany debtors granted | | - | 1,702 |
| Forgiveness of intercompany liabilities received | | (369) | - |
| Provision against intercompany debtors released | | <u>-</u> | <u>(1,140)</u> |

During the prior year, a restructuring of the Bio-Rad group was carried out to simplify the structure of the businesses in the UK. As a result the company granted forgiveness to certain intercompany balances as shown above. In addition, a provision of £1,140,000 against an intercompany debtor was released following receipt of the full outstanding balance. In the current year the company received forgiveness for an intercompany liability of £369,000 in the final step of the restructuring exercise. All of the charges and credits shown above in respect of the group restructuring are not expected to be deductible or chargeable for tax purposes.

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

5 Auditor's remuneration

| | 2020 £ 000 | 2019 £ 000 |
|---|---------------|---------------|
| Audit of the financial statements | <u>82</u> | <u>82</u> |
| Other fees to auditor | | |
| Auditor's remuneration - The audit of the company's parent undertaking and fellow group undertaking | <u>2</u> | <u>2</u> |

6 Staff costs

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

| | 2020 £ 000 | 2019 £ 000 |
|--|---------------|---------------|
| Wages and salaries | 6,300 | 6,319 |
| Social security costs | 715 | 763 |
| Pension costs, defined contribution scheme | <u>348</u> | <u>326</u> |
| | <u>7,363</u> | <u>7,408</u> |

The wages and salaries charge above also includes £88,000 (2019 - £110,000) in respect of share based payments.

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

| | 2020 No. | 2019 No. |
|-----------------------------------|-------------|-------------|
| Management and administration | 1 | 2 |
| Sales, marketing and distribution | <u>96</u> | <u>107</u> |
| | <u>97</u> | <u>109</u> |

7 Directors' remuneration

The directors' remuneration for the year was as follows:

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

7 Directors' remuneration (continued)

| | 2020 £ 000 | 2019 £ 000 |
|--|---------------|---------------|
| Remuneration | 123 | 129 |
| Contributions paid to money purchase schemes | - | 9 |
| | <u>123</u> | <u>138</u> |

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

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

Emoluments for two (2019: two) of the directors has been borne by another group company. These directors are also directors or officers of a number of companies within the group. The directors' services to the company do not occupy a significant amount of their time. As such the directors do not consider that they have received any remuneration for their incidental services to the company for the current or prior year.

8 Other interest receivable and similar income

| | 2020 £ 000 | 2019 £ 000 |
|--|---------------|---------------|
| Interest receivable from related parties | <u>49</u> | <u>136</u> |

9 Interest payable and similar expenses

| | 2020 £ 000 | 2019 £ 000 |
|-------------------------------------|---------------|---------------|
| Interest payable to related parties | - | 90 |
| Other interest payable | <u>9</u> | <u>-</u> |
| | <u>9</u> | <u>90</u> |

Notes to the Financial Statements
*for the year ended 31 December 2020 (continued)***10 Taxation**

Tax charged in the profit and loss account:

| | 2020 £ 000 | 2019 £ 000 |
|--|---------------|---------------|
| Current taxation | | |
| UK corporation tax | 56 | 649 |
| UK corporation tax adjustment to prior periods | (184) | - |
| | (128) | 649 |
| Foreign tax | 21 | 40 |
| Total current income tax | (107) | 689 |
| Deferred taxation | | |
| Arising from origination and reversal of timing differences | (38) | 94 |
| Arising from changes in tax rates and laws | (43) | - |
| Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods | 32 | - |
| Total deferred taxation | (49) | 94 |
| Tax (receipt)/expense in the profit and loss account | (156) | 783 |

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

The differences are reconciled below:

| | 2020 £ 000 | 2019 £ 000 |
|--|---------------|---------------|
| Profit before tax | 721 | 3,117 |
| Corporation tax at standard rate | 137 | 592 |
| Effect of revenues exempt from taxation | (70) | (992) |
| Expenses not deductible | 13 | 1,222 |
| Tax rate differences between current and deferred tax | (43) | (15) |
| Adjustment for a prior period - corporation tax | (184) | - |
| Adjustment for a prior period - deferred tax | 32 | - |
| Tax decrease from effect of exercise of employee share options | (41) | (31) |
| Tax increase arising from overseas tax suffered/expensed | - | 7 |
| Total tax (credit)/charge | (156) | 783 |

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

Notes to the Financial Statements
*for the year ended 31 December 2020 (continued)***10 Taxation (continued)**

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. If the increase in the corporation tax rate had been enacted at the balance sheet date, the deferred tax asset would have increased from £445,000 to £586,000.

Deferred tax

The deferred tax asset at the year end of £445,000 (2019 - £396,000) and comprises of the following:

| 2020 | Asset £ 000 |
|--|------------------------|
| Difference between accumulated depreciation and capital allowances | 174 |
| Other timing differences | 271 |
| | <u>445</u> |
| 2019 | Asset £ 000 |
| Difference between accumulated depreciation and capital allowances | 64 |
| Other timing differences | 332 |
| | <u>396</u> |

Notes to the Financial Statements
*for the year ended 31 December 2020 (continued)***11 Tangible assets**

| | Land and buildings £ 000 | Furniture, fittings and equipment £ 000 | Total £ 000 |
|------------------------|--------------------------------|--|----------------|
| Cost | | | |
| At 1 January 2020 | 842 | 10,830 | 11,672 |
| Additions | 27 | 1,525 | 1,552 |
| Disposals | - | (3,255) | (3,255) |
| At 31 December 2020 | 869 | 9,100 | 9,969 |
| Depreciation | | | |
| At 1 January 2020 | 252 | 6,140 | 6,392 |
| Charge for the year | 86 | 1,847 | 1,933 |
| Eliminated on disposal | - | (2,158) | (2,158) |
| At 31 December 2020 | 338 | 5,829 | 6,167 |
| Carrying amount | | | |
| At 31 December 2020 | 531 | 3,271 | 3,802 |
| At 31 December 2019 | 590 | 4,690 | 5,280 |

Included within the net book value of land and buildings above is £531,000 (2019 - £590,000) in respect of short leasehold land and buildings.

Included in Fixtures, fittings and equipment above are reagent rental assets at 31 December 2020 with a cost of £8,103,000 (2019 - £9,605,000) accumulated depreciation of £5,070,000 (2019 - £5,311,000) and net book value of £3,033,000 (2019 - £4,294,000). These relate to assets owned by the company which are rented by third parties under operating leases.

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

12 Investments

| Subsidiaries | £ 000 |
|-------------------------|--------------|
| Cost | |
| At 1 January 2020 | 12,060 |
| Disposals | (12,060) |
| At 31 December 2020 | - |
| Provision | |
| At 1 January 2020 | (12,060) |
| Eliminated on disposals | 12,060 |
| At 31 December 2020 | - |
| Carrying amount | |
| At 31 December 2020 | - |
| At 31 December 2019 | - |

On 29 October 2019, the strike off process for JXB6 Limited (formerly DiaMed (G.B.) Ltd.) was commenced and was completed on 25 February 2020.

Details of undertakings

Details of the investments held by the company are as follows:

| Subsidiary undertaking and registered office details | Country of incorporation | Holding | Proportion of voting rights and shares held | |
|---|---------------------------------|-----------------|--|-------------|
| | | | 2020 | 2019 |
| JXB6 Limited (formerly DiaMed (G.B.) Ltd.) | England and Wales | Ordinary shares | 0% | 100% |
| The Junction 3rd and 4th Floors, Station Road, Watford, WD17 1ET | | | | |

13 Stocks

| | 2020 | 2019 |
|-------------------------------------|--------------|--------------|
| | £ 000 | £ 000 |
| Finished goods and goods for resale | 2,095 | 4,137 |

The amount of impairment loss included in profit or loss is £471,000 (2019 - £207,000). The impairment loss is included in Cost of Sales.

The directors consider there to be no material difference between the balance sheet value of stock and its replacement cost.

Notes to the Financial Statements
*for the year ended 31 December 2020 (continued)***14 Debtors**

| | Note | 2020 £ 000 | 2019 £ 000 |
|------------------------------------|------|---------------|---------------|
| Trade debtors | | 7,828 | 10,062 |
| Amounts owed by group undertakings | | 12,370 | 11,972 |
| Prepayments | | 1,002 | 820 |
| Deferred tax assets | 10 | 445 | 396 |
| | | <u>21,645</u> | <u>23,250</u> |
| Less non-current portion | | <u>(447)</u> | <u>(447)</u> |
| | | <u>21,198</u> | <u>22,803</u> |

In prepayments of £1,002,000 there is £447,000 (2019 - £447,000) classified as non-current. This relates to a rent deposit for the property occupied by the company, which is not repayable until the termination of the lease in 2026.

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

Trade debtors are stated after provisions for impairment of £288,000 (2019 - £547,000).

15 Creditors

| | 2020 £ 000 | 2019 £ 000 |
|--|---------------|---------------|
| Due within one year | | |
| Trade creditors | 734 | 315 |
| Amounts due to group undertakings | 2,792 | 5,876 |
| Social security and other taxes | 770 | 548 |
| Outstanding defined contribution pension costs | 180 | 57 |
| Other payables | 82 | - |
| Accruals | 3,169 | 2,638 |
| Corporation tax liability | 188 | 522 |
| | <u>7,915</u> | <u>9,956</u> |

Amounts due to group undertakings falling due within one year are interest-free with the exception of any part which remains outstanding for over 90 days, which did not occur in either accounting period, are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Bio-Rad Laboratories Limited
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Notes to the Financial Statements

for the year ended 31 December 2020 (continued)

16 Provisions for liabilities

| | Warranties £ 000 | Sales return provisions £ 000 | Total £ 000 |
|-----------------------------------|---------------------|-------------------------------------|----------------|
| At 1 January 2020 | 398 | 476 | 874 |
| Increase/(decrease) in provisions | (27) | 160 | 133 |
| At 31 December 2020 | 371 | 636 | 1,007 |

Warranties are granted in respect of certain products sold for a period of one year. The provision represents the estimated warranty claims that the company expects to receive in respect of sales in the last year based on historic experience.

The sales return allowance is estimated based on historic analysis.

17 Share capital

Allotted, called up and fully paid shares

| | 2020 | | 2019 | |
|----------------------------|---------|-------|---------|-------|
| | No. 000 | £ 000 | No. 000 | £ 000 |
| Ordinary Shares of £1 each | 100 | 100 | 100 | 100 |

Rights, preferences and restrictions

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

18 Capital and reserves

Called up share capital

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

Profit and loss account

The retained earnings reserve includes all current and prior period retained profits and losses.

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Notes to the Financial Statements

for the year ended 31 December 2020 (continued)

19 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 £348,000 (2019 - £326,000).

Contributions totalling £180,000 (2019 - £57,000) were payable to the scheme at the end of the year and are included in creditors.

20 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

| | 2020 £ 000 | 2019 £ 000 |
|---|---------------|---------------|
| Not later than one year | 979 | 1,395 |
| Later than one year and not later than five years | 3,132 | 4,145 |
| Later than five years | 471 | 1,625 |
| | <u>4,582</u> | <u>7,165</u> |

The amount of non-cancellable operating lease payments recognised as an expense during the year was £1,281,000 (2019 - £1,609,000).

Operating leases - lessor

The total of future minimum lease payments is as follows:

| | 2020 £ 000 | 2019 £ 000 |
|---|---------------|---------------|
| Not later than one year | 7,278 | 11,557 |
| Later than one year and not later than five years | 11,050 | 18,775 |
| Later than five years | 1,670 | 2,447 |
| | <u>19,998</u> | <u>32,779</u> |

Included in Fixtures, fittings and equipment above are reagent rental assets at 31 December 2020 with a cost of £8,103,000 (2019 - £9,605,000) accumulated depreciation of £5,070,000 (2019 - £5,311,000) and net book value of £3,033,000 (2019 - £4,294,000). These relate to assets owned by the company which are rented by third parties under operating leases.

Notes to the Financial Statements
*for the year ended 31 December 2020 (continued)***21 Share-based payments****Group share-based payment scheme****Scheme details**

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. Share options have been granted in prior years to certain employees of the company, under these compensation plans, to purchase shares at the market price prevailing at the date of the grant. In all cases the options vest at the rate of 20% per year for five years. The contractual life for each option is 10 years. The share options are all equity settled. No such options were outstanding at the end of the current or prior year.

In addition, 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 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 | 1,953 | 289.27 | 2,469 | 223.45 |
| Awarded | 435 | 524.30 | 745 | 333.34 |
| Forfeited | - | - | (706) | 170.25 |
| Released | (595) | 253.97 | (555) | 207.03 |
| Outstanding at 31 December | <u>1,793</u> | <u>358.01</u> | <u>1,953</u> | <u>289.27</u> |

Bio-Rad Laboratories Limited
Registration number :03044694

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

21 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 £128,000 (2019 - £88,000).

The weighted average remaining service period for outstanding RSUs at 31 December 2020 was 3.06 years (2019 - 3.59 years).

22 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.

23 Parent and ultimate parent undertaking

The company's immediate parent is Bio-Metrics (UK) Limited, incorporated in England and Wales.

The ultimate parent is Bio-Rad Laboratories, Inc., incorporated in USA.

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.