

Company Registration No. 05978215

HORIZON DISCOVERY BIOSCIENCES LIMITED

Annual Report and Financial Statements

For the period ended 1 January 2023



HORIZON DISCOVERY BIOSCIENCES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS 2022

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HORIZON DISCOVERY BIOSCIENCES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS 2022

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Mr B Kipp
Mr C Lowe

REGISTERED OFFICE

Building 8100
Cambridge Research Park
Waterbeach
Cambridge
CB25 9TL

COMPANY NUMBER

05978215

AUDITOR

Mazars LLP
Statutory Auditor
90 Victoria Street
Bristol
BS1 6DP
United Kingdom

HORIZON DISCOVERY BIOSCIENCES LIMITED

STRATEGIC REPORT

The directors present their strategic report for Horizon Discovery Biosciences Limited for the 52-week period ended 1 January 2023.

PRINCIPAL ACTIVITY

Horizon Discovery Biosciences Limited ("the Company") is a private, limited by shares and registered in England and Wales. The company is a wholly owned subsidiary of a group headed by Revvity Inc (formerly PerkinElmer Inc), a company incorporated in the United States of America. Further details can be found on the group website www.revvity.com.

The principal activity of the Company is the sale and distribution of innovative gene editing and gene modulation applications to provide customers with tools and services to transform human health. The business aims to simplify order placement and contracting by providing a single legal entity for customers to contract with for the provision of services and applications from all other Horizon Group companies.

REVIEW OF THE BUSINESS

After a period of dormancy, the Company re-commenced trading on 1 March 2021. Following the recommencement of trading the business has performed in line with the expectations of the directors.

The Company generated a profit after tax for the period ended 1 January 2023 of £9k (2021: £13k).

PRINCIPAL RISKS AND UNCERTAINTIES

The risks and uncertainties of the Company are managed by the management team in the UK and the management team of the ultimate parent Revvity Inc (formerly PerkinElmer).

The process of risk acceptance and risk management is addressed through a framework of policies, procedures, and internal controls. All policies are subject to board approval and ongoing review by management and internal audit. Compliance with regulation, legal and ethical standards is a high priority for the Company and the Group.

The company is exposed to credit risk when trading with its customer base. Customers are predominantly medical, pharmaceutical and educational companies and institutions and are located across the world. Credit risk from customer financial difficulties is low, however the company can experience considerable bureaucracy in obtaining payments on a timely basis resulting in the requirement for provisions as a result of late payment.

The Company is financed by its intercompany balances with other group undertakings. As the company acts as contracting partner on behalf of other group companies it is not subject to the commercial risks associated with those activities. The principal risk relates to the financial risk exposure of interest rate and exchange rate movements, which are managed by Revvity Inc (formerly PerkinElmer), as the ultimate parent of the Company.

LIQUIDITY AND GOING CONCERN

The company's activities are described above. The company's transactions relate to the purchase of goods and services from other group companies and the subsequent sale of those same goods and services to third party customers. The company manages its liquidity needs and in the event that the need arises, the directors receive support in the form of additional loans from the ultimate parent company.

In assessing the going concern basis of preparation and appropriateness of disclosures, the directors have considered the availability of Group support and the available forecasts, results, internal risk factors and external factors which may influence the Company's ability to continue as a going concern for a period of at least the next twelve months. The Directors are satisfied that the business model of the Company is both robust and intrinsic to the development of the Group as a whole.

HORIZON DISCOVERY BIOSCIENCES LIMITED

STRATEGIC REPORT

LIQUIDITY AND GOING CONCERN (continued)

Revvity Inc (formerly PerkinElmer Inc) has provided a letter which confirms financial support will be provided to the Company to enable it to meet its financial liabilities as and when they fall due. The directors deem that Revvity Inc can provide support and this support will be in place for a period of not less than twelve months from the date of signing the financial statements.

Therefore, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing its financial statements.

CORPORATE RESPONSIBILITY

Corporate responsibility of the Company and of the other UK Group Companies are managed at a group level.

SECTION 172(1) STATEMENT

The directors are aware of their duty under s. 172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be the most likely to promote the success of the Company for the benefit of its shareholders and other stakeholders. In doing so the directors consider (amongst other matters):

- The likely consequences of any decision in the long term
- The interests of the Company's employees
- The need to foster the Company's business relationships with suppliers, customers, and others
- The impact of the Company's operations on the community and the environment
- The desirability of the Company maintaining a reputation for high standards of business conduct; and
- The need to act fairly between members of the Company

All the key strategic decisions are taken in conjunction with the Revvity board members to ensure that they are in the complete best interest of the shareholders, employees, and customers of the Company. The fundamental overriding principle in the governance of the Company is that of ensuring transparent conduct which reflects fairness in all the dealings with its stakeholders. See the statement on "Stakeholder Engagement" included in the Directors Report on page 4 which provides examples of how the Company considers and is engaged with its key stakeholders, including its employees, customers, communities, environment, and suppliers.

APPROVAL

This report was approved by the board on 22 February 2024 and signed on its behalf by:

A handwritten signature in black ink that reads "Bryan Kipp". To the left of the signature is a small circular stamp containing the letter "C".

Mr B Kipp

Director

22 February 2024

HORIZON DISCOVERY BIOSCIENCES LIMITED

DIRECTORS' REPORT

The directors present their Annual Report and Financial Statements of Horizon Discovery Biosciences Limited for the period ended 1 January 2023. The company's registered number is 05978215.

RESULTS AND DIVIDENDS

The results for the period are set out on page 11. The directors do not recommend payment of a dividend (2021: £nil).

FUTURE DEVELOPMENTS

The directors expect the company to continue with its present trading operations for the foreseeable future. The Company will look to leverage opportunities for cross selling and synergies arising across the new Revvity group.

DIRECTORS

The directors who served throughout the period and to the date of this report (unless otherwise stated), are as follows:

Mr P Brooks (resigned 28 February 2022)

Mr B Kipp

Mr C Lowe (appointed 28 February 2022)

DONATIONS

The donations made by the Company during the period for charitable or political purposes were £nil (2021: £nil).

FINANCIAL RISK MANAGEMENT

Throughout the period, the Company's approach to financial risk has remained consistent in its aim to manage and mitigate the risks that relate to fluctuations in interest and exchange rates and to ensure that necessary funds are available to meet the Company's ongoing requirements. The risks are managed to reduce the overall level of uncertainty to which the company is exposed, whilst providing the necessary flexibility to meet the commercial needs of the business.

STAKEHOLDER ENGAGEMENT

The Company considers our customers, employees, suppliers, the environment, and community as our principal stakeholders in addition to our Group shareholders. Engaging with these stakeholders is considered a key priority which is achieved through a variety of means, some of which are highlighted below:

| Stakeholder | About | Why we listen | How we take feedback |
|---------------|---|--|--|
| Our customers | Our mission is to leverage our expertise in gene editing and gene modulation applications to help our customers to transform human health. We will do this by providing them with tools and services that enable them to achieve operational and competitive advantage. | The knowledge that we gain through these deep customer relationships informs our own product development, allowing us to create the market-aligned innovative solutions that differentiate our offering. | We communicate with customers through the following: <ul style="list-style-type: none">• Direct feedback from our commercial organisation which we use to build market awareness, drive customer engagement and secure high-value sales. Our Key Account Partners play a crucial role in understanding the complex nature and requirements of our international biopharma companies, building deep relationships that benefit both parties.• Attendance at relevant industry conferences. |

HORIZON DISCOVERY BIOSCIENCES LIMITED

DIRECTORS' REPORT

| Stakeholder | About | Why we listen | How we take feedback |
|----------------------------|---|---|--|
| Our people | We are committed to a safe, inclusive, secure and ethical working environment where all our people have the opportunity to contribute to our success. | As a knowledge-based business our people are our biggest asset. We are committed to creating and maintaining a work environment which offers equal opportunities to all, which is inclusive and diverse and encourages those with different backgrounds and experience to develop. In addition, we embrace a performance culture in which all employees are able to perform to the best of their abilities, feel motivated and are recognised for their contribution to overall Company performance. Employee engagement forms an integral part of our strategy and is a key non-financial KPI. | We communicate with employees through the following: <ul style="list-style-type: none"> • Quarterly townhalls, through intranet campaigns and internal communication emails so we can ensure that all our people across the business understand our strategic priorities and how they can contribute to their delivery. • We carry out an annual employee survey to ensure that all staff have an opportunity to share their views on the running of the business on an unattributable basis and contribute to its future direction. |
| Our partners and suppliers | We recognise that we operate in a global market through a network of suppliers, business partners and customers all of whom play a key role in helping is to Power the Therapeutic Ecosystem. | We believe by acting with integrity in our everyday dealings with these stakeholders we create a harmonious working environment that benefits all parties, and importantly has societal impact. | <ul style="list-style-type: none"> • We gather direct feedback through our Commercial organisation, which includes Key Account Partners, Field Sales, and Customer Service. • However, all employees play an important role as ambassadors of the group. |
| Our communities | We aim to create a positive impact beyond technical innovation in healthcare by engaging with local communities, caring for the environment and by improving access to health and education. | We believe that by behaving as a responsible corporate citizen we will create a working environment that is not only consistent with the values and aspirations of our global employees but will also ultimately drive value for the business as a whole. | Our social and charitable activities are at the heart of our engagement and cultural programmes. Our activities in fundraising make a valuable difference to the local communities and charities we support. |

HORIZON DISCOVERY BIOSCIENCES LIMITED

DIRECTORS' REPORT

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard FRS 101 "Reduced Disclosure Framework". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS' INDEMNITIES

The company has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report. This indemnity covers Horizon Discovery Biosciences Limited and other Companies in the group headed by Horizon Discovery Group Limited.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who is a director at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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

INDEPENDENT AUDITOR

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

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

 Bryan Kipp

Mr B Kipp
Director

22 February 2024

HORIZON DISCOVERY BIOSCIENCES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HORIZON DISCOVERY BIOSCIENCES LIMITED

Opinion

We have audited the financial statements of Horizon Discovery Biosciences Limited (the 'company') for the period ended 1 January 2023 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 1st January 2023 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial

HORIZON DISCOVERY BIOSCIENCES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HORIZON DISCOVERY BIOSCIENCES LIMITED

statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

HORIZON DISCOVERY BIOSCIENCES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HORIZON DISCOVERY BIOSCIENCES LIMITED

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: health and safety regulation and anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation and the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to revenue recognition (which we pinpointed to cut-off), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

HORIZON DISCOVERY BIOSCIENCES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HORIZON DISCOVERY BIOSCIENCES LIMITED

Use of the audit report

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.



Jon Barnard (Feb 22, 2024 16:18 GMT)

Jonathan Barnard (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
90 Victoria Street
Bristol
BS1 6DP
Date Feb 22, 2024

HORIZON DISCOVERY BIOSCIENCES LIMITED

INCOME STATEMENT

For the period ended 01 January 2023

| | Note | Period ended 1 January 2023 £'000 | Period ended 2 January 2022 £'000 |
|--|-------------|--|--|
| Revenue | 3 | 56,556 | 37,050 |
| Cost of sales | | (55,187) | (36,040) |
| Gross profit | | 1,369 | 1,010 |
| Sales, marketing, and distribution costs | | (778) | (1,247) |
| Corporate and administrative expenses and income | | (580) | 250 |
| Profit before tax | 4 | 11 | 13 |
| Taxation | 5 | (2) | - |
| Profit for the period attributable to owners of the company | | 9 | 13 |

All transactions derived from continuing operations. There was no other comprehensive income or expense other than as stated in the income statement.

HORIZON DISCOVERY BIOSCIENCES LIMITED

BALANCE SHEET

As at 1 January 2023

| | Note | 1 January 2023 £'000 | 2 January 2022 £'000 |
|-----------------------------------|------|----------------------------|----------------------------|
| Current assets | | | |
| Trade and other receivables | 6 | 23,562 | 11,642 |
| Cash and cash equivalents | | 8,147 | 2,793 |
| Total assets | | 31,709 | 14,435 |
| Current liabilities | | | |
| Trade and other payables | 7 | (31,669) | (14,404) |
| Total current liabilities | | (31,669) | (14,404) |
| Net current assets | | 40 | 31 |
| Net assets | | 40 | 31 |
| Share capital and reserves | | | |
| Share capital | 8 | - | - |
| Share premium account | | 247 | 247 |
| Profit and loss account | | (207) | (216) |
| Shareholders' funds | | 40 | 31 |

The financial statements of Horizon Discovery Biosciences Limited, registered number 05978215 were approved by the Board of Directors and authorised for issue on 22 February 2024.

Signed on behalf of the Board of Directors

 Bryan Kipp

Mr B Kipp
Director

22 February 2024

HORIZON DISCOVERY BIOSCIENCES LIMITED

STATEMENT OF CHANGES IN EQUITY

For the 52-week period ended 1 January 2023

| | Share capital £'000 | Share premium account £'000 | Profit and Loss Account £'000 | Total £'000 |
|---|---------------------------|--------------------------------------|-------------------------------------|----------------|
| Balance at 1 January 2021 | - | 247 | (229) | 18 |
| Total comprehensive income for the period | - | - | 13 | 13 |
| Balance at 2 January 2022 | - | 247 | (216) | 31 |

| | Share capital £'000 | Share premium account £'000 | Profit and Loss Account £'000 | Total £'000 |
|---|---------------------------|--------------------------------------|-------------------------------------|----------------|
| Balance at 3 January 2022 | - | 247 | (216) | 31 |
| Total comprehensive income for the period | - | - | 9 | 9 |
| Balance at 1 January 2023 | - | 247 | (207) | 40 |

HORIZON DISCOVERY BIOSCIENCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52-week period ended 1 January 2023

GENERAL INFORMATION

Horizon Discovery Biosciences Limited (the Company) is a private company limited by shares incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the strategic report on pages 2 to 3.

The financial statements are presented in Pounds Sterling, being the functional currency of the Company and are rounded to the nearest £1,000.

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the period and the preceding period, except as follows:

Basis of preparation

These financial statements are prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council. The financial statements have been prepared under the historical cost convention on a going concern basis.

These financial statements are separate financial statements. The Company is exempt from the preparation of consolidated financial statements, on the basis that the Company is a wholly owned subsidiary of the group headed by Revvity Inc (formerly PerkinElmer Inc) and is included in the consolidated financial statements of the parent for the period ended 01 January 2023. The financial statements of Revvity Inc (formerly PerkinElmer Inc) can be obtained from 940 Winter Street, Reservoir Woods, Waltham, Massachusetts 02451, USA.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard which are listed below:

- IFRS 2, 'Share-based payments'
- IFRS 7, 'Financial Instruments: Disclosure'
- IAS 7, 'Statement of cash flows'
- IAS 24, 'Related Party Disclosures'
- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers.
- The following paragraphs of IAS 1, 'Presentation of financial statements'
 - 10 (d) (Statement of cash flows)
 - 16 (statement of compliance with all IFRS)
 - 38A (requirement for the minimum of two primary statements, including the cash flow statements)
 - 111 (cash flow statement information); and
 - 134-136 (capital management disclosures)

HORIZON DISCOVERY BIOSCIENCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52-week period ended 1 January 2023

1. ACCOUNTING POLICIES (continued)

Going concern

In assessing the going concern basis of preparation and appropriateness of disclosures, the directors have considered the available forecasts, results, internal risk factors and external factors which may influence the Company's ability to continue as a going concern for a period of at least the next twelve months from the date of approval of these financial statements. The Directors are satisfied that the business model of the Company is both robust and intrinsic to the development of the Group as a whole.

Revvity Inc (formerly PerkinElmer Inc) has provided a letter which confirms financial support will be provided to the Company to enable it to meet its financial liabilities as and when they fall due. The directors deem Revvity Inc has the ability to provide support and this support will be in place for a period of not less than twelve months from the date of signing the financial statements.

Adoption of new and revised standards

There are no new standards which have a material impact on the financial statements as at 1 January 2023.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

Financial assets

Financial assets are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. The Company's financial assets comprise cash and cash equivalents, receivables which involve a contractual right to receive cash from external parties, and investments classified as available for sale.

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables comprise of "trade and other receivables" and "cash and cash equivalents" in the balance sheet. These assets are measured at cost less allowances for estimated irrecoverable amounts to align their cost to fair value. The provision is based on the Company's expected credit loss.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

Financial liabilities

The Company classifies its financial liabilities in the following categories:

- at fair value through profit or loss
- other financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Foreign currency translation

The functional currency of the company is UK sterling. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the income statement.

HORIZON DISCOVERY BIOSCIENCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52-week period ended 1 January 2023

1. ACCOUNTING POLICIES (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand 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 changes in value.

Business operation

From 1 March 2021 the company was established as the primary contracting entity for customers of the Horizon Discovery Group. Prior to this date, customer orders were placed directly with, and satisfied by, two other group companies: Horizon Discovery Limited and Dharmacon Inc.

Following the above change, customer contracts placed with the company are then reordered from Horizon Discovery Limited and Dharmacon Inc. as appropriate. Goods and services continue to be delivered by these companies directly to the customer but are charged to Horizon Discovery Biosciences Limited at the contracted customer price.

Revenue recognition

The Company has applied IFRS 15, specifically the five-step approach, to revenue recognition:

1. Identify the contract(s) with a customer.
2. Identify the performance obligations in the contract.
3. Determine the transaction price.
4. Allocate the transaction price to the performance obligations in the contract.
5. Recognise revenue when (or as) each performance obligation is satisfied.

Details of the revenues and the revenue recognition policy for each material revenue stream are provided below.

Screening business unit

The Screening business unit generates revenues through the provision of CRISPR and high throughput compound screening services and the sale of goods.

Research Reagents business unit

The Research Reagents business unit generates revenues through the provision of off-the-shelf cell models, bespoke cell engineering services, custom-made and off-the-shelf gene modification and gene editing reagents and molecular reference standards derived from gene-edited cell lines.

Revenue in respect of the sale of services

Typically, the Company's contracts for CRISPR, high throughput compound screening and bespoke cell engineering services are fixed price and revenues are recognised by reference to the satisfaction of each performance obligation within the contract. The transaction price, representing the fair value of consideration receivable net of discounts and any estimates for credit notes and returns, is allocated to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for transferring the services to the customer. These amounts are generally established by the customer contract and are based on the relative stand-alone selling prices. Performance obligations are satisfied over time as services are rendered. Revenue recognised over time is based on the proportion of the level of service performed. Either an input method or an output method, depending on the particular arrangement, is used to measure progress for each performance obligation. Revenue is typically recognised on the basis of time spent on delivering the services as there is normally a direct relationship between time spent and the proportion of the performance obligation performed to date and this method therefore provides a faithful depiction of the transfer of services to the customer. Where invoices are issued that exceed the value of work undertaken, deferred income is recognised. Where work performed exceeds the value of work billed, accrued income is recognised.

HORIZON DISCOVERY BIOSCIENCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52-week period ended 1 January 2023

1. ACCOUNTING POLICIES (continued)

Revenue in respect of the sale of goods

The Company recognises revenue in respect of the sales of goods, including libraries, cell models, reagents and cell lines, when a purchase order exists and at the point, under the terms of the contract, at which control of the good passes to the customer and the performance obligation is satisfied. The revenue is measured at the fair value of the consideration receivable net of discounts and any estimates for credit notes and returns. Deferred income is recognised where invoices are issued before the despatch of the goods.

Bio-Production business unit

The Company recognises revenue in respect of Bio-Production license fee income when the agreement is signed, is non-cancellable and the performance obligation of transferring to the customer the license to use the Company's intellectual property has been satisfied.

Current tax

Current tax payable is based on taxable profit for the year using tax rates that have been enacted or substantively enacted by the balance sheet date. Taxable profit differs from net profit as reported in the income statement because it excludes certain items of income or expense that are taxable or deductible in other years and further excludes items that are never taxable or deductible.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The Company's liability for deferred tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date that are expected to apply in the period when the liability is settled, or the asset is realised. Deferred tax is charged or credited in the income statement, except where it relates to items charged or credited directly to other comprehensive income or reserves, in which case the deferred tax is also dealt with in other comprehensive income or reserves respectively.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, they relate to income taxes levied by the same taxation authority and the Company intends to settle on a net basis.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Due to the nature of the business, acting as a contracting agent on behalf of other group companies, the directors do not consider that there are any further critical accounting estimates and judgements than those already considered in the financial statements of the other group companies.

HORIZON DISCOVERY BIOSCIENCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52-week period ended 1 January 2023

3. REVENUE

The directors consider that the Company's business units are separately identifiable operating segments for the purpose of revenue generation.

An analysis of the Company's revenue is as follows:

| | Period to 1 January 2023 £'000 | Period to 2 January 2022 £'000 |
|-------------------|---|---|
| Screening | 9,545 | 5,461 |
| Research Reagents | 44,224 | 28,286 |
| Bio-Production | 2,787 | 3,303 |
| | 56,556 | 37,050 |

| Revenue from external customers | Period to 1 January 2023 £'000 | Period to 2 January 2022 £'000 |
|---------------------------------|---|---|
| USA and Canada | 31,429 | 22,125 |
| Europe | 10,563 | 6,451 |
| United Kingdom | 7,148 | 3,255 |
| Asia Pacific | 7,366 | 5,177 |
| Other | 50 | 42 |
| | 56,556 | 37,050 |

The transaction price allocated to (partially) unsatisfied performance obligations at 1 January 2023 is £3,928k (2022: £5,633k) which are expected to be fully satisfied by October 2023 for all performance obligations.

4. PROFIT FOR THE PERIOD

| | Period to 1 January 2023 £'000 | Period to 2 January 2022 £'000 |
|--|---|---|
| Profit for the period is stated after charging: | | |
| Management charges | 328 | 122 |
| Bad debt expense | 778 | 1,247 |
| Net foreign exchange (gains)/losses | (762) | 118 |

The company had no employees in either period. The directors received no remuneration in respect of their services as directors of the company in either period. Total staff costs for the period are £nil (2021: £nil).

HORIZON DISCOVERY BIOSCIENCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52-week period ended 1 January 2023

5. TAXATION

| | 1 January 2023 £'000 | 2 January 2022 £'000 |
|--|----------------------------|----------------------------|
| Corporation tax | | |
| UK corporation tax charge for the period | 2 | - |
| Adjustments for prior periods | - | - |
| Deferred tax | - | - |
| Total tax charge | 2 | - |

The standard rate of tax for the period, based on the UK standard rate of corporation tax, is 19% (2021: 19%).
Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The charge for the period can be reconciled to the profit per the income statement as follows:

| | Period to 1 January 2023 £'000 | Period to 2 January 2022 £'000 |
|---|---|---|
| Reconciliation of effective tax rate | | |
| Profit on ordinary activities before tax | 11 | 13 |
| Income tax at UK corporation tax rate of 19% | 2 | 3 |
| Tax effect of expenses not deductible in determining taxable profit | - | (3) |
| Tax charge for the period | 2 | - |

Factors that may affect future tax charges:

The corporation tax rate increased from 19% to 25% on 1 April 2023, and this rate has been used to measure deferred tax assets and liabilities where applicable.

6. TRADE AND OTHER RECEIVABLES

| | 1 January 2023 £'000 | 2 January 2022 £'000 |
|--------------------------|----------------------------|----------------------------|
| Trade receivables | 13,139 | 8,218 |
| Accrued income | 3,144 | 2,333 |
| Other debtors | - | - |
| Intercompany receivables | 7,279 | 1,091 |
| | 23,562 | 11,642 |

Trade receivables are stated after provision for impairment of £2,014k (2021: £1,247k).

Intercompany receivables are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

HORIZON DISCOVERY BIOSCIENCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52-week period ended 1 January 2023

7. TRADE AND OTHER PAYABLES

| | 1 January 2023 £'000 | 2 January 2022 £'000 |
|--|----------------------------|----------------------------|
| Trade payables | 899 | 354 |
| Intercompany payables | 27,362 | 12,360 |
| Deferred income | 2,593 | 1,377 |
| Amount due in relation to taxation and social security | 815 | 313 |
| | 31,669 | 14,404 |

Intercompany creditors are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

8. SHARE CAPITAL

| | 1 January 2023 £'000 | 2 January 2022 £'000 |
|--|----------------------------|----------------------------|
| Authorised, issued, and fully paid 100 ordinary shares of £1 each | - | - |

9. RESERVES

Share premium

The share premium account represents the excess of consideration received for shares issued above their nominal value net of transaction costs.

Profit and Loss Account

Profit and Loss Account represents the cumulative profit and loss net of distributions to owners.

10. FINANCIAL COMMITMENTS

At 1 January 2023 the Company had capital commitments of £nil (2021: £nil) relating to Property, Plant & Equipment.

11. RELATED PARTY TRANSACTIONS

The Company is a wholly owned subsidiary within the group headed by Revvity Inc (formerly PerkinElmer Inc) and has taken advantage of the exemption permitted by Section 33 'Related party disclosures' not to provide disclosures of transactions entered into with other wholly owned members of the Group. Outstanding amounts due to and from group companies are disclosed within notes 6 and 7.

HORIZON DISCOVERY BIOSCIENCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52-week period ended 1 January 2023

12. ULTIMATE PARENT COMPANY

The company is a private company limited by shares and is incorporated and domiciled in England.

The directors regard Horizon Discovery Group Limited as the immediate parent company of Horizon Discovery Biosciences Limited.

The ultimate parent undertaking and controlling party is Revvity Inc (formerly PerkinElmer Inc), a company incorporated in Massachusetts, USA. Revvity Inc is the largest and smallest group of which Horizon Discovery Biosciences Limited is a member and for which consolidated financial statements are prepared. Consolidated

Financial Statements for Revvity Inc (formerly PerkinElmer Inc) are available from 940 Winder Street, Reservoir Woods, Waltham, Massachusetts 02451, USA.

13. EVENTS AFTER THE BALANCE SHEET DATE

There are no material events to be reported after the balance sheet date affecting the company.