

Oxoid Limited

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

Company registration number: 03291857



OXOID LIMITED

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

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OXOID LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Directors

A Smith
D Norman
E Cameron
S W Ahmed

Company Secretary

Oakwood Corporate Secretary Limited
R Gregg

Registered office

3rd Floor
1 Ashley Road
Altrincham
WA14 2DT

Bankers

Barclays Bank
1 Churchill Place
London
E14 5HP

Solicitors

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

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
40 Clarendon Road
Watford
Watford
WD17 1JJ

OXOID LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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

Review of the business and future developments

The directors are satisfied with the performance in the year, with good turnover growth and an increase in operating margins, excluding exceptional items. The directors expect to see continued operational growth in the future, and given improving market conditions this is expected to be greater than observed during 2021.

Oxoid Limited will continue to operate in its existing markets.

During the year exceptional costs of £905,000 were recorded in respect of a reorganisation (2020: exceptional costs of £60,000).

The company continues to invest in research and development. This is expected to maintain and expand the company's firm positioning in the market. Research and development expenditure during the year was £4,886,000 (2020: £4,749,000).

Key performance indicators (KPI's)

The directors believe that the key performance indicators ('KPIs') are revenue growth and profitability.

Total revenue has increased from £173,470,402 to £240,918,000 as a result of incremental COVID-19 testing products revenue of £82M primarily driven by an NHS contract, and revenue recovery on core products intercompany and third-party revenue (primarily DCM). The company has changed how it presents the transfer pricing adjustment that is made in respect of intercompany sales and purchases. This has resulted in the adjustment being reflected through revenue (2020: cost of sales) as management feels this disclosure provides a clearer understanding of the underlying transaction. The impact of the change in presentation in 2021 and the restatement of the 2020 comparative is an increase in revenue of £37.73m (2020: £17.56 m) and an increase in cost of sales of the same amount. There is no impact on operating or net profit.

Profit for the financial year was £26,895,000 (2020: £3,313,000) which will be transferred to reserves.

Revenue has increased at a proportionally higher rate than cost of sales resulting in an increase in gross profit margins to 21.3% (2020: 20.5%), due primarily to movements in product mix.

Total operating margins increased in relation to sales to 6% (2020: 2%). This is primarily attributable to revenue growth and fixed cost absorption.

Employee numbers increased to 447 (2020: 419) in the year.

Net assets at 31 December 2021 were £328,723,000 (2020: £300,673,000).

Statement by the directors of their statutory duties in accordance with Section 172(1) of the Companies Act 2006

The directors of the company have acted in accordance with a set of general duties. These duties are detailed in section 172 of the Companies Act 2006 which is summarised as follows:

'Each director of the company has acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- 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,

OXOID LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Statement by the directors of their statutory duties in accordance with Section 172(1) of the Companies Act 2006 (continued)

- the desirability of the company maintaining a reputation for high standards of business conduct,
- the need to act fairly as between members of the company.

As part of the director induction process, a director is briefed on their duties and they can access professional advice on these from the company secretary. The following paragraphs summarise how the directors fulfil their duties.

Risk management

As we continue to grow our business our risk environment also becomes more complex. It is therefore vital that we effectively identify, evaluate, manage and mitigate the risks we face and that we continue to evolve our approach to risk management.

For details of our principal risks and uncertainties and how we manage those risks, please refer to the principal risks section within the Strategic Report.

Business relationships

Our mission is to enable our customers to make the world healthier, cleaner and safer and as a result of this mission we have created a culture where our customers come first. Part of our business strategy is to continue to strengthen our company to be the partner customers rely on to help them achieve their goals. This is achieved through delivering a unique value proposition to our customers.

As a company we place great importance on building and maintaining strong relationships with our suppliers. The company is committed to meeting payment terms agreed with suppliers and we seek to resolve queries in an efficient and professional manner.

Our colleagues

None of our accomplishments would be possible without our team. Inspired by our mission, and grounded by our 4i values (integrity, intensity, innovation and involvement) this motivates our team to bring their best every day. It also helps us to attract and retain talent which is critical to our future.

We invest in our colleagues through numerous development programs that enrich their individual experiences, stress the importance of teams and build skills that set them up for success.

Further information can be found in the Directors' Report.

Community and environment

Our mission is to enable our customers to make the world healthier, cleaner and safer. One way that we fulfil our Mission is by being a socially responsible community partner. Our giving strategy includes educational programs, colleague donations and volunteering.

Our signature STEM education programs connect students and colleagues through hands on and team based activities that highlight our technologies, make connections to careers in STEM and demonstrate how our company impacts the world.

To promote the generous spirit of our colleagues, our Charitable Giving Program provides a platform that allows them to contribute to causes that they feel passionately about. Through the program, employees can make direct donations to a charity of their choice, create a fundraiser - gathering greater support for a cause, or contribute to support a disaster relief campaign. Through our Employee Matching Gift program, we help employees make an even bigger impact by matching their contribution to eligible charities by 50%.

OXOID LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Community and environment (continued)

We feel it is important to support our community, throughout the year we encourage employees to take part in volunteering and charity events where our employees, together with our charity partners, take part in hands on volunteering.

The company is a part of Thermo Fisher Scientific Inc.'s global strategy to reduce our carbon footprint by 30% by 2030. As part of this global initiative we are committed to reviewing and reducing greenhouse gas emissions.

Financial risk management

The company's operations exposes it to a variety of financial risks that include the effects of changes in price risk, credit risk, currency risk and interest rate cash flow risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs.

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

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department. The department has a policy and procedures manual that sets out specific guidelines to manage interest rate risk, credit risk and circumstances where it would be appropriate to use financial instruments to manage these.

Principal risks and uncertainties

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

Commercial risk

The company continues to improve its services in order to maintain and develop its market place penetration as evidenced by the investment in research and development of new products. The company is faced with risk of drop in demand.

Price risk

The company is exposed to commodity price risk as a result of its operations. However, given the size of the company's operations, the costs of managing exposure to commodity price risk exceed any potential benefits. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is continually reviewed by the senior management team.

OXOID LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Principal risks and uncertainties (continued)

Currency risk

The company is exposed to currency risk as a result of its operations. However, given the size of the company's operations, the cost of managing the exposure to currency risk through the use of derivative financial instruments exceeds any potential benefits, and as such no hedge accounting is applied. The company operates foreign currency bank accounts in order to offset foreign currency receipts and payments.

Interest rate cash flow risk

The company has both interest bearing assets and interest bearing liabilities. Interest bearing assets include cash balances and group loans, all of which earn interest at fixed and variable rates. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature. Interest payable is on bank loans and overdrafts and therefore management of cash flows is taken account of as part of the group's financing activity.

Economic Risk

Management is aware of the current conflict between Russia and Ukraine and have performed an analysis to determine whether this situation impacts the company's operations. Management have concluded that the current conflict has not impacted the operational activities however continues to closely monitor the situation.

On behalf of the board

DocuSigned by:
David Norman
BF6BDC147B76448...

D Norman

Director

30 September 2022

OXOID LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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

Outlook

The company mobilized to support the global novel strain of coronavirus (COVID-19) response with products and services that help analyse, diagnose and protect from the virus. Our ability to manufacture/sell products is highly dependent on our ability to maintain the safety and health of our factory employees which we are acting to mitigate in accordance with government guidelines. The company saw an increase in revenue due to the sales of products addressing the diagnosis and treatment of COVID-19 and while these positive impacts are expected to continue into 2022, the duration and extent of future revenues from such sales are uncertain and dependent on customer demand. The company believes its long term prospects remain excellent given the attractive markets served, its industry leading position and proven growth strategy.

Risk

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The company's estimates include, among others, asset reserve requirements as well as the amounts of future cash flows associated with certain assets and businesses that are used in assessing the risk of impairment. Risks and uncertainties associated with the ongoing COVID-19 global pandemic will continue to affect the company's operations through 2022. The extent and duration of such impacts are uncertain and may require changes to estimates.

Review of the business and future developments

Future developments are deemed to be of strategic importance to the company and as such have been outlined within the strategic report. No impairment was recorded for the investments held following a review of the performance of its subsidiaries.

Dividends

During the year the directors made an interim payment of a dividend of £nil (2020: £nil). The directors do not recommend the payment of a final dividend.

Financial risk management

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

Directors

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

A Smith
D Norman
E Cameron
S W Ahmed

Third party indemnity provision

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

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DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Research and development

Disclosures relating to research and development activities are included in the strategic report.

Employees

The company recognises the benefit of keeping employees informed of the progress of the business and of involving them in the company's performance and, accordingly, maintains regular communications with employees and has well established consultation arrangements that include the following:

- systematic provision of relevant information to employees;
- regular consultation with employees or their representatives so that the employees' views may be taken into account in making decisions that are likely to affect their interests;
- encouragement of employees' participation in the group's performance through employee share schemes; and
- achieving awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Disabled employees

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a disabled person.

Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion wherever appropriate.

Statement of directors' responsibilities in respect of the financial statements

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

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

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

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

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

OXOID LIMITED**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021****Statement of directors' responsibilities in respect of the financial statements (continued)**

The directors are also 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.

Mandatory Streamlined Energy and Carbon Reporting (SECR)

We fulfil the statutory requirements for Streamlined Energy and Carbon Reporting which includes disclosure of the Company's carbon emissions. Under the Companies Act 2006 / SECR Regulations, 'Large' companies' are required to report their annual emissions in their Directors' report.

Oxoid Limited Streamlined Energy and Carbon Reporting statement covers the reporting period 1st January 2021 - 31st December 2021 and has been prepared in line with the requirements of the Streamlined Energy and Carbon Reporting regulations and the relevant areas of the Greenhouse Gas ('GHG') Protocol Corporate Accounting and Reporting Standard.

A 'Dual Reporting' methodology has been used to indicate emissions using UK electricity grid average emission factors (known as the 'Location Based' method), and also emissions using supplier specific generation emission factors (the 'Market Based' method).

'Location based' Method

The total energy consumption for 2021 was 12,466,132.67 kWh equating to 2,491.373 tCO₂ e

Emissions from combustion of gas (Scope 1) 1,490.132 tCO₂ e

Emissions from combustion of fuel for transport purposes (Scope 1) 13.636 tCO₂ e

Emissions from purchased electricity (Scope 2) 882.300 tCO₂ e

Emissions from Transmission and Distribution (Scope 3) 78.079 tCO₂ e

Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3) 27.226 tCO₂ e

Carbon intensity: Emissions of tCO₂e / £m turnover during 2021 was 12.261 tCO₂ e

'Market Based' Method

The total energy consumption for 2021 was 12,466,132.67 kWh equating to 1,530.994 tCO₂ e

Emissions from combustion of gas (Scope 1) 1,490.132 tCO₂ e

Emissions from combustion of fuel for transport purposes (Scope 1) 13.636 tCO₂ e

Emissions from purchased electricity (Scope 2) 0.000 tCO₂ e

Emissions from Transmission and Distribution (Scope 3) 0.000 tCO₂ e

Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3) 27.226 tCO₂ e

Carbon intensity: Emissions of tCO₂e / £m turnover during 2021 was 7.535 tCO₂ e

OXOID LIMITED**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021****Mandatory Streamlined Energy and Carbon Reporting (SECR) (continued)****Energy efficiency action taken at Thermo Fisher Group level:**

- a An enterprise-wide review of the company global carbon reduction goal took place in May & June 2021. This used 6 sites as representative of the organisation's varied operations.
- b This review informed the corporate strategic planning group and resulted in a change to 30% reduction in GHG emissions by 2030 and net zero carbon emissions by 2050.
- c A global steering and project management office have been set up to drive to achieve the targets.
- d In Q4, net zero carbon assessments were initiated in 15 global sites, which represents 50% of the organisation's carbon emissions.

Energy efficiency action taken at company level:

- e New boiler unit at Basingstoke site.
- f LED Lighting installations at Dartford & East Grinstead sites.
- g Site energy mapping projects commenced at Dartford, East Grinstead & Basingstoke sites.
- h LED lighting installed at Perth site during Project Bond.
- i Improved sub-metering for real time energy analysis at Perth site.

Type	Comparison reporting year 2020	Current reporting year 2021
Total energy consumption (kWh)	13,867,370.63 kWh	12,466,132.67 kWh
Associated Carbon Emissions (tCO ₂ e)	2,902.033 tCO ₂ e	2,491.373 tCO ₂ e
Metric - Emissions of tCO ₂ e per £m turnover	18.610 tCO ₂ e	12.261 tCO ₂ e.

Sources of Greenhouse Gas Emissions		Location Based Method		Market Based Method	
		2021 consumption (kWh)	2021 emissions (tCO ₂ e)	2021 consumption (kWh)	2021 emissions (tCO ₂ e)
Scope 1	Natural Gas	8,135,683.03	1,490.132	8,135,683.03	1,490.132
	Transport (Company Cars)	58,439.63	13.636	58,439.63	13.636
Scope 2	Electricity	4,155,324.00	882.300	4,155,324.00	0.000
Scope 3	Transmission and Distribution	—	78.079	—	0.000
	Transport (Private / Rental Car Business Use)	116,686.01	27.226	116,686.01	27.226
Total		12,466,132.67	2,491.373	12,466,132.67	1,530.994
Carbon intensity: All Scope's emissions of tCO ₂ e / £m turnover:		—	12.261	—	7.535

The table above provides a breakdown of the data with accompanying explanatory notes below.

Qualifying information on the above data:

- a. The company strategy has been to purchase renewable energy backed by Renewable Electricity Guarantees of Origin (REGO) certificates. Through this strategy, within the above

OXOID LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

2021 total energy consumption, the company has sourced a total of 4,155,324.00 kWh of REGO backed (zero emission) electricity equating to 100% of total electricity use.

Mandatory Streamlined Energy and Carbon Reporting (SECR) (continued)

- b. This statement has been prepared in line with the requirements of the Streamlined Energy and Carbon Reporting regulations and the relevant areas of the Greenhouse Gas ('GHG') Protocol Corporate Accounting and Reporting Standard.
 - c. This is the Company's second year of Streamlined Energy and Carbon Reporting and as such 01/01/2020 - 31/12/2020 data has been recorded.
 - d. tCO₂e is the tonnage of equivalent carbon emissions generated by the various greenhouse gasses (carbon dioxide, methane, nitrous oxide etc.) each of which has a 'Global Warming Potential' factor that is included in the above emission figure. Conversion to emissions has been carried out using UK Govt. (BEIS/DEFRA) published conversion factors for 2021.
 - e. An operational control approach has been applied to consolidate the above data.
 - f. Total £m turnover for use as the Metric are £241m.
1. As per the GHG Protocol, a dual reporting method has been applied - 'Location Based' and 'Market Based'.
 2. The calculation of Carbon intensity includes all Scope emissions identified in the table.

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

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

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

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the annual general meeting.

On behalf of the board

DocuSigned by:
David Norman
BF68DC147B76448...

D Norman
Director

30 September 2022

OXOID LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OXOID LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Oxoid Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and financial statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2021; the Profit and Loss Account; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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.

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.

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

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

Reporting on other information

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

OXOID LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OXOID LIMITED

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

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

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

OXOID LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OXOID LIMITED

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journals to increase revenue or profits and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Understanding management's internal controls designed to prevent and detect irregularities.
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.
- Challenging the assumptions and judgements made by management in determining their significant accounting estimates.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Alex Crompton (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Watford
30 September 2022

OXOID LIMITED**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021****PROFIT AND LOSS ACCOUNT**

	Note	Year ended 31 December	
		2021 £'000	2020 as restated £'000
Turnover	5	240,918	173,470
Cost of sales		(189,519)	(137,837)
Gross profit		51,399	35,633
Distribution costs		(8,505)	(9,341)
Administrative expenses		(28,208)	(22,470)
Exceptional Items	6	(905)	(60)
Operating profit	6	13,781	3,762
Income from shares in group undertakings		13,300	—
Profit before interest and taxation		27,081	3,762
Other Interest receivable and similar income	8	1,192	1,857
Interest payable and similar expenses	8	(479)	(682)
Net interest income	8	713	1,175
Profit before taxation		27,794	4,937
Tax on profit	9	(899)	(1,624)
Profit for the financial year		26,895	3,313

Results in the current and previous financial year are from continuing operations only.

The notes on pages 20 - 49 are an integral part of these financial statements.

OXOID LIMITED**STATEMENT OF COMPREHENSIVE INCOME**

		<u>Year ended 31 December</u>	
	Note	2021 £'000	2020 £'000
Profit for the financial year		26,895	3,313
Other comprehensive income:			
Actuarial gain on post retirement provision	16	3,039	2,141
Movement on deferred tax relating to pension deficit	18	(442)	(258)
Total tax on components of other comprehensive income	17	(442)	(258)
Other comprehensive income for the year, net of tax		2,597	1,883
Total comprehensive income for the year		29,492	5,196

The notes on pages 20 – 49 are an integral part of these financial statements.

OXOID LIMITED
BALANCE SHEET

		<u>As at 31 December</u>	
	Note	2021 £'000	2020 £'000
Fixed assets			
Intangible assets	10	4,300	5,067
Tangible assets	11	37,063	23,634
Investments	12	82,930	82,930
		124,293	111,631
Current assets			
Inventories	13	23,672	18,358
Debtors	14	256,866	224,386
Cash at bank and in hand		1,041	1,378
		281,579	244,122
Creditors: amounts falling due within one year	15	(73,543)	(53,250)
		73,543	53,250
Net current assets		208,036	190,872
Total assets less current liabilities		332,329	302,503
Creditors: amounts falling due after more than one year	16	(316)	—
Provisions for liabilities	18	(3,290)	(1,830)
Net assets		328,723	300,673
Capital and reserves			
Called up share capital	21	31,010	31,010
Share premium account		80,303	80,303
Capital contribution		8,103	8,103
Retained earnings		209,307	181,257
Total equity		328,723	300,673

The notes on pages 20 - 49 are an integral part of these financial statements.

The financial statements on pages 16 - 19 were authorised for issue by the board of directors on 30 September 2022 and were signed on its behalf

DocuSigned by:
David Norman
BF6BDC147B76448...

D Norman

Director

Oxoid Limited

Company registration number: 03291857

OXOID LIMITED**STATEMENT OF CHANGES IN EQUITY****for the year ended 31 December 2021**

	Called up share capital £'000	Share premium account £'000	Capital contri- bution £'000	Retained earnings £'000	Total equity £'000
Balance as at 1 January 2020	31,010	80,303	8,103	181,338	300,754
Profit for the financial year	—	—	—	3,313	3,313
Other comprehensive income for the year	—	—	—	1,883	1,883
Total comprehensive income for the year	—	—	—	5,196	5,196
Credit relating to equity-settled share-based payments	—	—	—	(549)	(549)
Charge from parent for equity-settled share-based payments	—	—	—	(4,728)	(4,728)
Total transactions with owners, recognised directly in equity	—	—	—	(5,277)	(5,277)
Balance as at 31 December 2020	31,010	80,303	8,103	181,257	300,673
Balance as at 1 January 2021	31,010	80,303	8,103	181,257	300,673
Profit for the financial year	—	—	—	26,895	26,895
Other comprehensive income for the year	—	—	—	2,597	2,597
Total comprehensive income for the year	—	—	—	29,492	29,492
Credit relating to equity-settled share-based payments	—	—	—	359	359
Charge from parent for equity-settled share-based payments	—	—	—	(1,801)	(1,801)
Total transactions with owners, recognised directly in equity	—	—	—	(1,442)	(1,442)
Balance as at 31 December 2021	31,010	80,303	8,103	209,307	328,723

OXOID LIMITED

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

1. General Information

Oxoid Limited ('the company') is incorporated in England and manufactures and sells diagnostic media and other associated products for use in microbiology laboratories. The company has manufacturing plants in the UK and sells primarily to UK and the rest of Europe.

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

2. Statement of compliance

The individual financial statements of Oxoid Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102") and the Companies Act 2006, under the provision of the Large and Medium-size Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410).

3. Summary of significant accounting policies

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

Basis of preparation

These financial statements have been prepared on a going concern basis, under the historical cost convention, as modified by the recognition of defined benefit assets and shared based payment measured at fair value.

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

Transfer pricing adjustments (TPA's) ensure that intercompany transactions are recorded at arm's length. In order to more appropriately reflect the substance of the transactions, the company has changed its accounting policy for transfer pricing adjustments in 2021 such that the adjustments are included in revenue for the selling entity and cost of sales for the purchasing entity and accordingly the revenue and cost of sales for the year ended 31 December 2020 have been restated. The financial effect of this restatement is that revenue has increased by £17,560,000 and cost of sales have increased by the same amount. The impact of this change in accounting policy on the profit for the year ended 31 December 2021 is £nil (2020: nil). See note 26 for further details.

Going Concern

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The company's estimates include, among others, asset reserve requirements as well as the amounts of future cash flows associated with certain assets and businesses that are used in assessing the risk of impairment. Risks and uncertainties associated with the ongoing COVID-19 global pandemic will continue to affect the company's operations through 2022. The extent and duration of such impacts are uncertain and may require changes to estimates.

OXOID LIMITED

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

3 Summary of significant accounting policies (continued)

Going Concern (continued)

The company meets its day-to-day working capital requirements through its bank facilities. The current economic conditions continue to create uncertainty over (a) the level of demand for the company's products; and (b) the availability of bank finance for the foreseeable future. The company's forecasts and predictions, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current liabilities. After making enquiries, the directors have a reasonable expectation that the company has access to adequate resources to

continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions.

Cash flow statement and related party disclosures

The company is included in the consolidated financial statements of Thermo Fisher Scientific Inc. which are publicly available. Consequently, as the company is a 100% owned subsidiary, the company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, Thermo Fisher Scientific Inc., includes the company's cash flows in its own consolidated financial statements.

The company is also exempt under the terms of FRS 102 paragraph 33.1 from disclosing related party transactions with entities that are part of the Thermo Fisher Scientific Inc. group (see note 23).

Key Management Compensation

The company has taken advantage of the exemption under FRS 102 para 33.7 from disclosing its key management personnel compensation in total as this is disclosed in full in the consolidated group financial statements.

Consolidated financial statements

The financial statements contain information about Oxoid Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent company, Thermo Fisher Scientific Inc., a company incorporated in the United States of America (see note 25). The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Thermo Fisher Scientific Inc.. The address of the ultimate parent's registered office is 168 Third Avenue, Waltham, MA 02451, USA.

Share-based payments

The company has taken advantage of the exemption under FRS 102 para 26.16 where the company is a member of a group share-based payment arrangement and where the company's expense is based on a reasonable allocation and disclosed in full in the consolidated group financial statements.

Foreign currency

- (i) *Functional and presentation currency*

The company's functional and presentation currency is the pound sterling.

OXOID LIMITED

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

3. Summary of significant accounting policies (continued)

Foreign currency (continued)

(ii) Transactions and balances

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

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transactions is included as an exchange gain or loss in the Profit and Loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and Loss account within 'Net interest income'. All other foreign exchange gains and losses are presented in the profit and loss account within 'Cost of Sales'.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount received for goods supplied or services rendered, net of returns, discounts and rebates allowed by the company and value added taxes. Revenue on services provided is recognised to the extent that contractual obligations to customers have been fulfilled.

The company bases its estimate of returns on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Where the consideration receivable in cash or cash equivalents is deferred, and the arrangement constitutes a financing transaction, the fair value of the consideration is measured as the present value of all future receipts using the imputed rate of interest.

The company recognises revenue from the sale of goods when all the following conditions are satisfied:

- (a) the entity has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (c) the amount of revenue can be measured reliably;
- (d) it is probable that the economic benefits associated with the transaction will flow to the entity; and
- (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

OXOID LIMITED

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

3. Summary of significant accounting policies (continued)

Transfer pricing adjustment

The company has changed how it presents the transfer pricing adjustment that is made in respect of intercompany sales and purchases. This has resulted in the adjustment being reflected through revenue (2020: cost of sales) as management feels this disclosure provides a clearer understanding of the underlying transaction. The impact of the change in presentation in 2021 and the restatement of 2020 comparative is increase in revenue of £37.73m (2020: £17.56m) and increase in cost of sales of the same amount. There is no impact on operating or net profit.

Transfer pricing adjustments (TPA's) ensure that intercompany transactions are recorded at arm's length.

In order to more appropriately reflect the substance of the transactions, the company has changed its accounting policy for transfer pricing adjustments in 2021 such that the adjustments are included in revenue for the selling entity and cost of sales for the purchasing entity and accordingly the revenue and cost of sales for the year ended 31 December 2020 have been restated. The financial effect of this restatement is that revenue has increased by £17,560,000 and cost of sales have increased by the same amount. The impact of this change in accounting policy on the profit for the year ended 31 December 2021 is £nil (2020: nil). See note 26 for further details.

Interest income

Interest income is recognised using the effective interest rate method.

Exceptional items

The company classifies certain one-off charges or credits that by nature and/or have a material impact on the company's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the company.

Employee benefits

The company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined benefit and defined contribution pension plans.

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(i) Defined contribution pension plans

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs is the contribution payable in the year. Differences between contributions payable and actually paid are shown as either accruals or prepayments in the balance sheet.

(ii) Defined benefit pension plan and Post Retirement Medical Benefit Plan

The company operates a defined benefit pension scheme which was closed to future accrual on 30 September 2007 from which time membership of the defined contribution plan is available.

The company also provides additional post retirement medical benefits to retired employees. These benefits are unfunded.

OXOID LIMITED

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

3. Summary of significant accounting policies (continued)

Employee benefits (continued)

Defined benefit and post retirement medical benefit plans are post-employment benefit plans other than defined contribution plans. Under such plans, the entity's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the entity. If actuarial or investment experience is worse than expected, the entity's obligation may be increased, and vice versa if actuarial or investment experience is better than expected.

In applying the general recognition principle to both plans, an entity shall recognise:

- (a) a liability for its obligations under the post employment benefit plans net of plan assets - its 'net defined benefit liability'; and
- (b) the net change in that liability during the period as the cost of its post employment benefit plans during the period.

An entity shall measure the net liability for its obligations under post employment benefit plans at the net total of the following amounts:

- (a) the present value of its obligations under post employment benefit plans (its obligation) at the reporting date; minus
- (b) the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled.

An entity shall measure its obligation on a discounted present value basis. The entity shall determine the rate used to discount the future payments by reference to market yields at the reporting date on high quality corporate bonds. In countries with no deep market in such bonds, the entity shall use the market yields (at the reporting date) on government bonds. The currency and term of the corporate bonds or government bonds shall be consistent with the currency and estimated period of the future payments.

The fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled.

An entity shall recognise the cost of a post employment benefit plan, except to the extent that another section of this FRS requires part or all of the cost to be recognised as part of the cost of an asset, as follows:

- (a) the change in the net liability arising from employee service rendered during the reporting period in profit or loss;
- (b) net interest on the net liability during the reporting period in profit or loss;
- (c) the cost of plan introductions, benefit changes, curtailments and settlements in profit or loss; and
- (d) remeasurement of the net liability in other comprehensive income.

Annual bonus plan

The company operates an annual bonus plan for employees. An expense is recognised in the profit and loss account when the company has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

OXOID LIMITED

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

3. Summary of significant accounting policies (continued)

Share-based payments

Where the company participates in a share-based payment arrangement established by a group company the company 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 in periods different from those in which they are recognised in financial statements 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 payments arrangements the amounts are treated as a reduction to retained earnings.

These financial statements include no disclosure in regard to share-based payments as the company has taken advantage of the exemption under FRS 102 para 26.16.

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

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

(ii) Deferred tax

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

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

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

Intangible assets

Goodwill

Goodwill represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired. Under the FRS102 section 18 and 19, goodwill arising on acquisitions has been capitalised and is being amortised over 20 years, being the period expected to benefit. The company evaluates the carrying value of goodwill in each financial year to determine if there has been an impairment in value, which would result in the inability to recover the carrying amount. When it is determined that the carrying value exceeds the recoverable amount, the excess is written off to the profit and loss account.

Purchased goodwill representing the trade and assets of Public Health Laboratories Service has been considered to have a finite life of seven years and is being amortised accordingly.

OXOID LIMITED

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

3. Summary of significant accounting policies (continued)

Intangible assets (continued)

Other Intangibles

Patents are considered to be a pool of replenished assets, accordingly it has been determined that these have an infinite useful economic life. Again, whilst the Companies Act would normally require the systematic amortisation of these assets, directors believe that under FRS 102 section 18 the lives of such assets are indefinite and therefore a policy of not providing amortisation gives a true and fair view. Based on the projected income arising from products that are connected to no impairment write down is considered to be necessary. The impact of applying the Companies Act requirements of systematic amortisation, assuming a useful economic life of 10 years is applied, would be an annual amortisation charge of £50,000.

Other intangible assets consist of purchased know how and software costs (previously recognised as tangible assets under old UK GAAP) which has been considered to have a finite life of between four and six years and is being amortised accordingly.

The company evaluates the carrying value of goodwill each financial year to determine if there has been an impairment value, which would result in the inability to recover the carrying amount, with any excess if any, written off to the profit and loss account.

Tangible assets

Tangible fixed assets are stated at historic purchase cost, net of accumulated depreciation and any provision for impairment. Cost includes the original purchase price of the asset and costs attributable to bringing the asset into its working condition for its intended use.

Freehold land and buildings

Land and buildings include freehold and leasehold factories, retail outlets and offices. Land and buildings are stated at cost (or deemed cost for land and buildings held at valuation at the date of transition to FRS 102) less accumulated depreciation and accumulated impairment losses.

The company previously adopted a policy of revaluing freehold land and buildings and they were stated at their revalued amount less any subsequent depreciation and accumulated impairment losses. The company adopted the transition exemption under FRS 102 paragraph 35.10(d) and has elected to use the previous revaluation as deemed cost.

The difference between depreciation based on the deemed cost charged in the profit and loss account and the asset's original cost is transferred from revaluation reserve to retained earnings.

Plant, machinery, fixtures and fittings

Plant and machinery and fixtures, fittings, tools and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation and residual values

Freehold land is not depreciated, buildings have been fully depreciated.

The fixed assets have been depreciated on a straight line basis at rates calculated to reduce the net book value of each asset to its estimated residual value by the end of its expected useful economic life in the company's business, and the rates are as follows:

Long leasehold improvements	– Over the life of the lease on a straight line basis
Freehold land and buildings	– 25 to 40 years
Plant, machinery, fixtures and fittings	– 3 to 10 years

OXOID LIMITED

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

3. Summary of significant accounting policies (continued)

Tangible assets (continued)

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Subsequent additions and major components

Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the company and the cost can be measured reliably.

The carrying amount of any replaced component is derecognised. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Repairs, maintenance and minor inspection costs are expensed as incurred.

Assets in the course of construction

Assets under the course of construction are depreciated when they first come into use.

Derecognition

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss and included in 'Operating (losses)/gains'.

Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. The company has elected to treat the date of transition to FRS 102 (1 January 2014) as the commencement date of the capitalisation of interest on qualifying assets.

Leased assets

Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

Lease incentives

Incentives received to enter into a finance lease reduce the fair value of the asset and are included in the calculation of present value of minimum lease payments.

Incentives received to enter into an operating lease are credited to the profit and loss account, to reduce the lease expense, on a straight-line basis over the period of the lease.

The company has taken advantage of the exemption in respect of lease incentives on leases in existence on the date of transition to FRS 102 (1 January 2014) and continues to credit such lease incentives to the profit and loss account over the period to the first review date on which the rent is adjusted to market rates.

OXOID LIMITED

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

3. Summary of significant accounting policies (continued)

Investments

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

Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Inventories are recognised as an expense in the period in which the related revenue is recognised.

Cost is determined on the first-in, first-out (FIFO) method. Cost includes the purchase price, including taxes and duties and transport and handling directly attributable to bringing the inventory to its present location and condition. The cost of manufactured finished goods and work in progress includes design costs, raw materials, direct labour and other direct costs and related production overheads (based on normal operating capacity).

At the end of each reporting period inventories are assessed for impairment. If an item of inventory is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the profit and loss account. Where a reversal of the impairment is recognised the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the profit and loss account.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Provisions and contingencies

Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

In particular:

(i) Restructuring provisions are recognised when the company has a detailed, formal plan for the restructuring and has raised a valid expectation in those affected by either starting to implement the plan or announcing its main features to those affected and therefore has a legal or constructive obligation to carry out the restructuring; and

(ii) Provision is not made for future operating losses. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

Contingencies

Contingent liabilities are not recognised. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

OXOID LIMITED

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

3. Summary of significant accounting policies (continued)

Provisions and contingencies (continued)

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

Financial instruments

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

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

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

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

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except for investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

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

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

OXOID LIMITED

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

3. Summary of significant accounting policies (continued)

Financial instruments (continued)

Preference shares, which result in fixed returns to the holder or are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in the profit and loss account as interest expense.

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

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments.

The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

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

Offsetting

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

Share capital

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

Distributions to equity holders

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

Related party transactions

The company discloses transactions with related parties which are not wholly owned within the same group. It does not disclose transactions with members of the same group that are wholly owned.

OXOID LIMITED

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

4. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the entity's accounting policies

(i) Multi-employer defined benefit pension scheme

Certain employees participate in a multi-employer defined benefit pension scheme with other companies in the region. In the judgment of the directors, the company does not have sufficient information on the plan assets and liabilities to be able to reliably allocate for its shares of the defined benefit obligation and plan assets to participating Group companies. As a result the Directors have chosen to report the full defined benefit scheme in the one principal company being Oxoid Limited, see note 17 for further details.

(ii) Share-based payments

The company's employees have been granted share options by the ultimate parent company, Thermo Fisher Scientific Inc. The company makes use of the exemption in Section 26 of FRS 102 to account for the expense based on a reasonable allocation of the parent company's total expense. The company has calculated its allocation of the parent company's total expense based on the number of participating employees in the company compared to the number of participating employees in the group.

The company also considered an allocation based on the relative remuneration cost of the relevant employees and considered that this gave rise to no significant differences in the allocated costs.

(iii) Exemptions on transition to FRS 102

The company has elected to use the previous UK GAAP valuation of certain items of land and buildings as the deemed cost on transition to FRS 102. The items are being depreciated from the date of transition (1 January 2014) in accordance with the company's accounting policies.

(b) Critical accounting estimates and assumptions

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

(i) Defined benefit pension scheme

The company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds.

Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 17 for the disclosures relating to the defined benefit pension scheme.

(ii) Impairment of investments

The company makes an estimate of the recoverable value of investment in its subsidiary companies. When assessing impairment of investments, management considers factors including the current results of the company for the year and the net asset position. In 2021 the review of the investment resulted in a provision £nil (2020: £nil). See note 12 for the carrying amount of the investments and any associated impairment provision.

OXOID LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
DECEMBER 2021****5. Turnover**

Turnover by geography	2021	2020
	£'000	as restated £'000
United Kingdom	96,192	72,629
Rest of Europe	47,285	53,129
Rest of World	97,441	47,712
	240,918	173,470

Turnover by nature	2021	2020
	£'000	as restated £'000
Sales of goods	240,303	172,550
Rendering of services	615	920
	240,918	173,470

OXOID LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
DECEMBER 2021****6. Operating profit**

The operating profit is stated after charging/(crediting):

	Note	2021 £'000	2020 £'000
Wages and salaries		25,053	23,500
Social security costs		2,453	2,688
Other pension costs	17	1,486	1,430
Share-based payments		359	(549)
Staff costs		29,351	27,069
Reorganisation expense		905	60
Amortisation of intangible assets (included in 'administrative expenses')		1,597	1,427
Operating lease charges			
- Plant and machinery		139	176
Depreciation of tangible fixed assets			
- Owned assets		2,652	2,428
Foreign exchange loss		147	71
Audit fees payable to the company's auditors ¹		122	116
Research and development expenditure		4,886	4,749
Exceptional items		2021 £'000	2020 £'000

During the year the company had the following exceptional items:

Cost of reorganisation	905	60
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Cost of reorganisation relate mainly to redundancy payments incurred in connection with continued reorganisation of the business.

¹ No non-audit services provided by the statutory auditors

OXOID LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
DECEMBER 2021****7. Employees and directors**

By activity	2021	2020
	Number	Number
Average monthly numbers of persons employed (including directors) by the company during the year was:		
Sales and marketing	45	59
Manufacturing	251	188
Research and development	43	50
Administration	108	122
	447	419

Directors

Directors' emoluments represent an allocation of their services to this company. Directors' emoluments were borne by another group company, Thermo Electron (Management Services) Limited.

	2021	2020
	£'000	£'000
Aggregate emoluments	24	22
Aggregate amounts (including shares) receivable under long-term incentive schemes	2	1
Company contributions to defined contribution pension scheme	1	1
	27	24

Retirement benefits accrued to no directors (2020: no directors) under a defined benefit scheme. Retirement benefits accrued to 3 (2020: 3) directors under a money purchase pension scheme.

During the year 2 directors (2020: 2 directors) exercised options over shares of Thermo Fisher Scientific Inc.

In 2021, 3 (2020: 3) directors were entitled to shares under a long-term incentive scheme.

OXOID LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
DECEMBER 2021****8. Net interest income**

Other interest receivable and similar income	2021	2020
	£'000	£'000
Bank interest receivable	—	1
Interest receivable from group undertakings	830	1,375
Interest on defined benefit pension scheme assets	362	481
Total interest income on financial assets not measured at fair value through profit or loss	1,192	1,857
Total interest receivable and similar income	1,192	1,857
Interest payable and similar expenses	2021	2020
	£'000	£'000
Interest payable on group facilities	479	682
Total interest expense on financial liabilities not measured at fair value through profit or loss	479	682
Total interest payable and similar expenses	479	682
Net interest income	2021	2020
	£'000	£'000
Total interest receivable and similar income	1,192	1,857
Total interest payable and similar expenses	(479)	(682)
Net interest income	713	1,175

OXOID LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
DECEMBER 2021****9. Tax on profit**

Tax expense included in profit and loss account

	Note	2021 £'000	2020 £'000
Current tax			
UK corporation tax on loss for the year		(187)	(201)
Adjustment in respect of previous periods		17	(8)
Total current tax		(170)	(209)
Deferred tax			
Origination and reversal of timing differences		(1,016)	(1,234)
Impact of changes in tax rates		(856)	(169)
Adjustments in respect of previous periods		1,143	(12)
Total deferred tax	19	(729)	(1,415)
Tax on profit		(899)	(1,624)
Tax expense included in other comprehensive expense			
		2021 £'000	2020 £'000
Origination and reversal of timing differences on defined benefit pension scheme		442	258
Total tax expense included in other comprehensive income		442	258

OXOID LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
DECEMBER 2021****9. Tax on profit (continued)**

Reconciliation of tax charge:

The tax assessed for the year is lower (2020: higher) than the standard rate of corporation tax in the UK 19% (2020: 19%). The differences are outlined below:

	2021	2020
	£'000	£'000
Profit before taxation	27,794	4,937
Profit multiplied by the standard rate of corporation tax in the UK 19% (2020: 19%)	5,281	938
Effects of:		
Expenses not deductible for tax purposes	598	508
Income not taxable	(2,527)	—
Transfer pricing adjustments	474	474
Shared scheme deduction	(305)	(373)
Impact of deferred tax rate change	856	169
Group relief surrendered/(claimed) for nil charge	(2,197)	(76)
Patent box deduction	(121)	(36)
Adjustments in respect of previous periods	(1,160)	20
Total tax charge for the year	899	1,624

Factors that may affect future tax charges:

The UK headline corporation tax rate for the year was 19% (2020: 19%). In the September 2022 Budget update, the Government announced that the increase in the UK Corporation Tax effective from 1 April 2023 to 25%, which was previously substantively enacted on 24 May 2021, would be cancelled. As this change has not been enacted at the balance sheet date, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would be to reduce the tax expense for the period by £856,000 and to reduce the deferred tax liability by £856,000.

OXOID LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
DECEMBER 2021****10. Intangible assets**

	Goodwill £'000	Purchased goodwill £'000	Patents £'000	Other £'000	Total £'000
Cost					
At 1 January 2021	9,025	—	500	8,549	18,074
Additions	—	—	—	455	455
Transfers	—	—	—	383	383
Disposals	—	—	—	(31)	(31)
At 31 December 2021	9,025	—	500	9,356	18,881
Accumulated amortisation					
At 1 January 2021	6,317	—	500	6,190	13,007
Charge for the year	903	—	—	694	1,597
Disposals	—	—	—	(23)	(23)
At 31 December 2021	7,220	—	500	6,861	14,581
Net book value					
At 31 December 2021	1,805	—	—	2,495	4,300
At 31 December 2020	2,708	—	—	2,359	5,067

Intangible assets consisting of goodwill are carried at their original costs less provision for impairment. Other intangible assets consist of non-competition agreement, purchased know-how and software costs and are being amortised over the life of between four and six years.

OXOID LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
DECEMBER 2021****11. Tangible assets**

	Freehold land and buildings £'000	Plant, machinery, fixtures and fittings £'000	Leasehold Improve- ments £'000	Construction in Progress £'000	Total £'000
Cost					
At 1 January 2021	7,367	39,329	6,748	7,996	61,440
Additions	—	362	1,570	14,608	16,540
Transfer to intangibles	—	818	256	(1,457)	(383)
Disposals	—	(679)	—	(66)	(745)
At 31 December 2021	7,367	39,830	8,574	21,081	76,852
Accumulated depreciation					
At 1 January 2021	3,512	30,028	4,266	—	37,806
Charge for the year	294	1,957	401	—	2,652
Disposals	—	(669)	—	—	(669)
At 31 December 2021	3,806	31,316	4,667	—	39,789
Net book value					
At 31 December 2021	3,561	8,514	3,907	21,081	37,063
At 31 December 2020	3,855	9,301	2,482	7,996	23,634

OXOID LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021****12. Investments**

	Subsidiary undertakings £'000
Cost as at 1 January 2021 and 31 December 2021	148,710
Provision for impairment at 1 January 2021	(65,780)
Charge for the year	—
Provision for impairment at 31 December 2021	(65,780)
Net book value as at 31 December 2021	82,930
Net book value as at 31 December 2020	82,930

Analysed as:

Thermo Fisher (Heysham) Limited	80,705
G & M Procter Limited	2,225
	82,930

Fixed asset investments comprise equity shares in Thermo Fisher (Heysham) Limited and G & M Procter Limited, neither of which are publicly traded. Thermo Fisher (Heysham) Limited is a holding company with investments in subsidiaries comprising equity shares in Thermo Fisher (Kandel) GmbH and Avocado Research Chemicals Limited, neither of which are publicly traded.

The directors believe that the carrying value of the investments are supported by its future cash flows.

The recoverable amount has been determined based on the value-in-use calculation. This calculation used post tax projections based on the financial expectations provided by the business and covering the next financial year and estimates for the following five financial years. The growth rate used for the coming five years is 2% year on year for Avocado Research Chemicals Limited and 2% year on year for Thermo Fisher (Kandel) GmbH. Long term cash flows beyond this period are extrapolated using estimated growth rate of 2% as a conservative estimate. The assumed post tax weighted average cost of capital is 7.5%.

The company's subsidiaries were as follows:

	Incorporated in	Share Class	Percentage held	Activity
G & M Procter Limited	UK +	Ordinary	100%	Trading
Oxoid Limited	Ireland +2	Ordinary	100%	Trading
Thermo Fisher (Heysham) Limited	UK +	Ordinary	100%	Trading
* Thermo Fisher (Kandel) GmbH	Germany +3	Ordinary	100%	Trading
*Avocado Research Chemicals Limited	UK +	Ordinary	100%	Trading

* Investment held via Thermo Fisher (Heysham) Limited

OXOID LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021****12. Investments (continued)****Registered office:**

+ C26 Floor, 1 Ashley Road, Altrincham, Cheshire, WA14 2DT

+2 25/28 North Wall Quay, Dublin 1, Ireland

+3 Erlenbachweg 2, Kandel, 76870, Germany

13. Inventories

	2021	2020
	£'000	£'000
Raw materials and consumables	11,157	6,328
Work in progress	3,107	2,315
Finished goods and goods for resale	9,408	9,715
	23,672	18,358

There is no significant difference between the replacement cost of work in progress and finished goods and goods for resale and their carrying amounts.

Inventories are stated after provisions for impairment of £1,636,000 (2020: £1,713,000).

Amounts charged to the profit and loss account for inventory write off is £381,000 (2020: £222,000).

14. Debtors

	2021	2020
	£'000	£'000
Trade debtors due less than a year	4,886	6,283
Amounts owed by group undertakings	220,515	190,983
Other debtors	517	180
Prepayments and accrued income	1,074	160
	226,992	197,606
Debtors due after more than one year		
Post-employment benefits (note 16)	29,874	26,780
	256,866	224,386

Debtors includes £29,874,000 (2020: £26,780,000) falling due more than one year.

Trade debtors are stated after provision for bad debt of £151,000 (2020: £169,000).

Included within amounts owed by group undertakings are loans of £75,200,000 (2020: £75,200,000) which earn interest at LIBOR +2%. Cash held by group entities under the cash sweep arrangement is included under debtors as amounts owed by group undertakings and amounts to £16,097,000 (2020: £18,075,000), this balance incurs interest at LIBOR 0.5% and it repayable on demand. Other amounts owed by group undertakings are interest free. All amounts are unsecured, and repayable on demand.

OXOID LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
DECEMBER 2021****15. Creditors: amounts falling due within one year**

	2021	2020
	£'000	£'000
Trade creditors	9,578	7,346
Amounts owed to group undertakings	52,655	38,535
Other creditors	560	485
Corporation tax	571	401
Other taxation and social security	724	1,237
Accruals and deferred income	9,455	5,246
	73,543	53,250

The amounts owed to group undertakings are unsecured, bear interest at LIBOR +2% and are repayable on demand. Cash held by group entities under the cash sweep arrangement is included under creditors as amount owed to group undertakings. The management company, Life Technologies Finance Limited, shall effect quarterly the calculation for distributions of debit interest or credit interest at rate of LIBOR 0.5% among the parties and settle this accordingly on the in-house bank accounts of the participant with the management company. It is repayable on demand.

16. Creditors: amounts falling due after more than one year

	2021	2020
	£'000	£'000
Amounts falling due between one and five years		
Asset retirement obligation	316	—
	316	—

OXOID LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
DECEMBER 2019****17. Post-employment benefits**

The company operates a defined benefit pension scheme for its employees. The amount recognised in the Balance Sheet is as follows:

	2021	2020
	£'000	£'000
Defined benefit surplus	29,874	26,780
	29,874	26,780

The amount recognised in the profit and loss account is as follows:

	2021	2020
	£'000	£'000
Defined benefit scheme		
– Administrative Expenses	306	350
– Past service cost	—	14
Multi-employer scheme		
Defined contribution scheme	1,180	1,066
Total charge in operating profit	1,486	1,430
Defined benefit scheme		
- Net interest income	(362)	(481)
Total charge	1,124	949

OXOID LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021****17. Post-employment benefits (continued)**

The total charge for defined contribution plans was £1,180,000 (2020: £1,066,000).

The liability at the year end for the contributions payable to the defined contribution scheme is £192,000 (2020: £nil).

Defined benefit section

The company participates in the defined benefit section of the Oxoid Pension Scheme operated by Thermo Fisher Scientific Inc. for its UK employees, with assets held in a separately administered fund. The defined benefit scheme is now closed to future accrual.

The contributions to the group scheme in the year ended 31 December 2021 were £nil (2020: £2,000,000). No contributions to the scheme remain outstanding at 31 December 2021 (2020: £nil).

An actuarial valuation of the scheme was undertaken on 31 March 2021, by AON, consulting independent actuary. The valuation has been updated using the projected unit credit method under FRS 102 to 31 December 2021, this resulted in a surplus of £29,874,000 (2020: £26,780,000).

An amount of £nil remains outstanding for the whole Thermo Fisher Scientific UK group to the scheme at 31 December 2021 (2020: £nil).

Principal actuarial assumptions at the balance sheet date

	2021	2020	2019
Discount rate	1.97%	1.36%	2.06%
CPI Inflation	2.65%	0.00%	0.00%
Rate of increase in salaries	2.65%	2.05%	2.00%
Price inflation	3.25%	2.85%	3.00%
Rate of increase in pensions in payment	3.17%	2.82%	3.00%

The mortality assumptions used were as follows:

	2021 Years	2020 Years
Longevity at age 65 for current pensioners		
- Men	21.9	22.1
- Women	23.6	23.5
Longevity at age 65 for future pensioners		
- Men	23.2	23.5
- Women	25.1	25.0

The actuarial gain on the liabilities is made up of a loss in respect of the change of assumptions and no experience gain or loss.

OXOID LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021****17. Post-employment benefits (continued)****Analysis of the defined benefit obligation**

	2021	2020
	£'000	£'000
Present value of funded defined benefit obligation	98,088	99,919

Reconciliation of scheme assets and liabilities

	Assets	Liabilities	Total
	£'000	£'000	£'000
At 1 January 2021	126,699	(99,919)	26,780
Benefits paid	(2,799)	2,799	—
Administration expenses	(306)	—	(306)
Interest income/(expense)	1,702	(1,340)	362
Actuarial gain ¹	2,667	372	3,039
At 31 December 2021	127,963	(98,088)	29,875

Contributions payable by the group in 2021 are £nil.

Asset recognised on the balance sheet

	2021	2020
	£'000	£'000
Present value funded obligation	(98,088)	(99,919)
Fair value of scheme assets	127,963	126,699
	29,875	26,780

No amounts (2020: nil) were included in cost of assets within the balance sheet.

Total cost recognised in Other Comprehensive Income (OCI)

	2021	2020
	£'000	£'000
Asset gain during the year	2,667	11,716
Liability gains/(losses)	372	(9,575)
	3,039	2,141

OXOID LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021****17. Post-employment benefits (continued)**

The fair value of the plan assets was:

	2021 £'000	2021 %	2020 £'000	2020 %	2019 £'000	2019 %
Equities	70,174	55 %	25,748	20 %	23,899	21 %
Gilts	57,129	45 %	98,154	77 %	90,383	79 %
Cash	660	1 %	2,797	2 %	474	0 %
Total scheme assets	127,963	101 %	126,699	99 %	114,756	100 %

18. Provisions for liabilities

	Deferred tax liability £'000	Restructuring £'000	Total £'000
At 1 January 2021	1,830	—	1,830
Charged to the profit and loss account	729	1,194	1,923
Utilised during the year	—	(905)	(905)
Charged to other comprehensive income	442	—	442
At 31 December 2021	3,001	289	3,290

19. Deferred tax liability

	2021 £'000	2020 £'000
Accelerated capital allowances	(4,223)	(2,969)
Pension timing differences	7,421	5,089
Other timing differences	(197)	(290)
Deferred tax liability	3,001	1,830

The amount of unrecognised deferred tax losses at 31 December 2021 was £nil (2020: £nil).

The deferred tax liability expected to reverse in the next 12 months is £3,001,000 (2020: £nil). Amounts expected to reverse after 12 months is £nil (2020: £1,830,000).

OXOID LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021****20. Financial Instruments**

The company has the following financial instruments:

	Note	2021 £'000	2020 £'000
Financial assets that are debt instruments measured at amortised cost			
– Trade debtors		4,886	6,283
– Amounts owed by group undertakings	14	220,515	190,983
– Other debtors		517	180
		225,918	197,446
Financial liabilities measured at amortised cost			
– Trade creditors		9,578	7,346
– Amounts owed to group undertakings	15	52,655	38,535
– Other creditors		10,015	5,731
		72,248	51,612

Derivative financial instruments

The company has no interest rate derivative financial instruments (2020: none).

21. Called up share capital

	2021 £	2020 £
Allotted and fully paid		
31,010,000 (2020: 31,010,000) ordinary shares of £1	31,010,000	31,010,000

22. Contingent assets and liabilities

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

At 31 December 2021, the company had advance bank guarantees of £nil (2020: £nil) and deferment bank guarantees in favour of HM Revenue and Customs of £6,000,000 (2020: £200,000).

The company receives a recharge from the ultimate parent in respect of share-based payment awards. This recharge is recorded in the financial statements when it is paid. The recharge is based on the exercise of awards by employees, so the timing and amount of the recharge for future years is reliant on uncertain future events, and the liability is therefore disclosed as contingent.

OXOID LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021****23. Capital and other commitments**

The company had the following minimum lease payments under non-cancellable operating leases for each of the following periods:

	2021 £'000	2020 £'000
Plant and machinery and vehicles		
Within one year	272	36
Within two to five years	152	32
	424	68

The company has no other off-balance sheet arrangements.

24. Related party transactions

See note 7 for disclosure of the directors' remuneration and key management compensation.

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

25. Controlling parties

The immediate parent undertaking is Oxoid Holdings Limited whose registered office is 3rd Floor, 1 Ashley Road, Altrincham, Cheshire WA14 2DT.

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

26. Prior Year Restatement

	As previously reported 2020 £'000	Adjustment 2020 £'000	As restated 2020 £'000
Revenue	155,910	17,560	173,470
Cost of sales	(120,277)	(17,560)	(137,837)

In order to more appropriately reflect the substance of the transactions, the company has changed its accounting policy for transfer pricing adjustments in 2021 such that the adjustments are included in revenue for the selling entity and cost of sales for the purchasing entity and accordingly the revenue and cost of sales for the year ended 31 December 2020 have been restated. The financial effect of this restatement is that revenue has increased by £17,560,000 and cost of sales have increased by the same amount. The impact of this change in accounting policy on the profit for the year ended 31 December 2021 is £nil (2020: nil).

OXOID LIMITED

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

27. Non-adjusting balance sheet events

Management is aware of the current conflict between Russia and Ukraine and have performed an analysis to determine whether this situation impacts the company's operations. Management have concluded that the current conflict has not impacted the operational activities however continues to closely monitor the situation.