

Amersham Biosciences
Annual Report and Financial Statements
for the Year Ended 31 December 2016

Registration number: 03387094

Amersham Biosciences

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Directors' Report

The directors present their report and the financial statements for the year ended 31 December 2016.

Principal activity

The principal activities of the company continued to be the investment in biotechnology supply companies and business activities representing the bioscience interests of the GE Healthcare group of companies. The company also owns rights in relation to a product for which it receives royalty income.

Results and dividends

The loss for the year after taxation, amounted to \$1,622,000 (2015: profit \$3,862,000)

On 8 December 2016, the company paid an interim dividend of \$54,880,000 to Amersham NMP China Limited and \$57,120,000 to GE Bio-Sciences Investments Limited, its immediate parent undertaking (2015: £nil).

The directors do not recommended payment of a final dividend (2015: \$nil).

Directors of the company

The directors who held office during the year and up to the date of the directors' report were as follows:

T Moench

S J Taylor

Directors' liabilities

One or more of the directors have benefited from qualifying third party indemnity provisions in place during the financial year and subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provisions remain in force as at the date of approving the directors' report.

Disclosure of information to the auditors

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

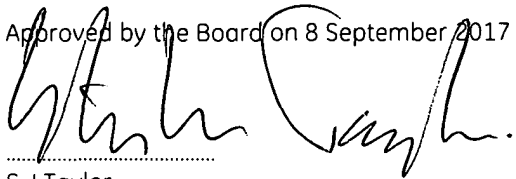
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Directors' Report (continued)

Reappointment of auditors

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

Approved by the Board on 8 September 2017 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'S J Taylor', written over a dotted line.

S J Taylor
Director

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Strategic Report

Business review

The results of the company show a pre-tax loss of \$1,647,000 (2015: pre tax profit \$4,843,000) for the year and sales of \$1,741,000 (2015: \$3,990,000)

The company has net assets of \$339,290,000 (2015: \$452,912,000) of which \$266,599,000 (2015: \$380,776,000) is due from fellow GE group companies.

On 13 December 2016, the company's immediate parent undertaking, GE Bio-Sciences Investments Limited, transferred its entire shareholding in the company (comprising 60,427,000 ordinary shares of \$1 each) to Amersham NMP China Limited.

Principal risks and uncertainties

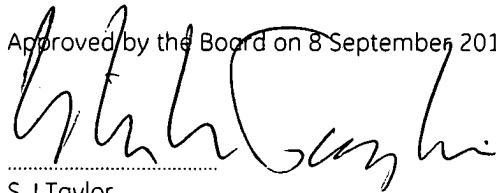
The principal risk of the company is the carrying value of its investments. The performance of the underlying subsidiaries is periodically reviewed in order to mitigate the risk.

Key performance indicators (KPI's)

The company has not identified any key performance indicators due to the nature of its operations as a holding company.

There were no significant transactions in year and the directors are satisfied with both the performance for the year and balance sheet position at year end.

Approved by the Board on 8 September 2017 and signed on its behalf by:



S J Taylor
Director

Amersham Biosciences

Statement of Directors' Responsibilities

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

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

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

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

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Independent Auditor's Report to the members of Amersham Biosciences

We have audited the financial statements of Amersham Biosciences for the year ended 31 December 2016, set out on pages 7 to 18. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

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Independent Auditor's Report to the members of Amersham Biosciences (continued)

Matters on which we are required to report by exception

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

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



David Burridge (Senior Statutory Auditor)

For and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

58 Clarendon Road
Watford
WD17 1DE

Date: 13 September 2017

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Statement of Comprehensive Income for the Year Ended 31 December 2016

	Note	2016 \$ 000	2015 \$ 000
Turnover		1,741	3,990
Administrative expenses		(6,626)	(3,039)
Operating (expenses)/income		<u>-</u>	<u>158</u>
Operating (loss)/profit		(4,885)	1,109
Interest receivable and similar income	4	3,700	4,240
Interest payable and similar expenses	5	<u>(462)</u>	<u>(506)</u>
(Loss)/profit before tax		(1,647)	4,843
Tax on (loss)/profit on ordinary activities	9	<u>25</u>	<u>(981)</u>
(Loss)/profit for the year		(1,622)	3,862
Other comprehensive income		-	-
Total comprehensive income for the year		<u><u>(1,622)</u></u>	<u><u>3,862</u></u>

The above results were derived from continuing operations.

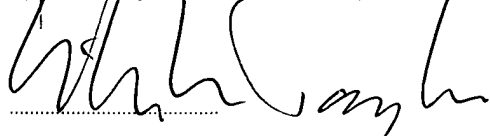
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Balance Sheet as at 31 December 2016

	Note	2016 \$ 000	2015 \$ 000
Fixed assets			
Intangible assets	10	63,991	63,991
Investments	11	<u>8,430</u>	<u>8,430</u>
		<u>72,421</u>	<u>72,421</u>
Current assets			
Debtors: amounts falling due within one year	12	295,731	415,684
Creditors: Amounts falling due within one year	13	<u>(28,862)</u>	<u>(35,193)</u>
Net current assets		<u>266,869</u>	<u>380,491</u>
Net assets		<u>339,290</u>	<u>452,912</u>
Capital and reserves			
Called up share capital	14	60,427	60,427
Share premium account		14,633	14,633
Other reserves		180,193	180,193
Profit and loss account		<u>84,037</u>	<u>197,659</u>
Shareholders' funds		<u>339,290</u>	<u>452,912</u>

Approved by the Board on 8 September 2017 and signed on its behalf by:



S J Taylor
Director

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Statement of Changes in Equity for the Year Ended 31 December 2016

	Called up share capital \$ 000	Share premium account \$ 000	Other reserves \$ 000	Profit and loss account \$ 000	Total \$ 000
At 1 January 2016	60,427	14,633	180,193	197,659	452,912
Comprehensive income for the year					
Loss for the year	-	-	-	(1,622)	(1,622)
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	(1,622)	(1,622)
Dividends	-	-	-	(112,000)	(112,000)
At 31 December 2016	<u>60,427</u>	<u>14,633</u>	<u>180,193</u>	<u>84,037</u>	<u>339,290</u>
	Called up share capital \$ 000	Share premium account \$ 000	Other reserves \$ 000	Profit and loss account \$ 000	Total \$ 000
At 1 January 2015	60,427	14,633	180,193	193,797	449,050
Comprehensive income for the year					
Profit for the year	-	-	-	3,862	3,862
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	3,862	3,862
At 31 December 2015	<u>60,427</u>	<u>14,633</u>	<u>180,193</u>	<u>197,659</u>	<u>452,912</u>

The notes on pages 10 to 18 form an integral part of these financial statements.

Amersham Biosciences

Notes to the Financial Statements

1 General information

The company is a private company unlimited by share capital incorporated and domiciled in the United Kingdom.

The address of its registered office is:

Pollards Wood
Nightingales Lane
Chalfont St. Giles
Buckinghamshire
HP8 4SP

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006. The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

Exemption from preparing group accounts

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

The results of the company are included in the consolidated financial statements of General Electric Company which are available from 41 Farnsworth Street, Boston, MA 02210, USA or at www.ge.com.

Amersham Biosciences

Notes to the Financial Statements

2 Accounting policies (continued)

Summary of disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 118(e) of IAS 38 Intangible Assets, and
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

Going concern

On the basis of their assessment of the company's financial position and resources, the directors believe that the company is well placed to manage its business risks. Therefore the company's directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Revenue is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company. The company recognises revenue when: The amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the company activities. All amount relates to United Kingdom.

Foreign currency transactions and balances

Monetary assets and liabilities denominated in foreign currencies are translated into dollars at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into dollars at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Comprehensive Income.

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Notes to the Financial Statements

2 Accounting policies (continued)

Tax

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Full provision is made for deferred tax liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as probable that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse. Deferred tax assets and liabilities are not discounted.

Intangible assets

Intangible fixed assets purchased by the company consists of product rights which are capitalised at cost and are considered to have an indefinite useful life. Therefore these assets are not amortised but subject to annual impairment reviews.

Investments

Investments in subsidiaries are valued at cost less provision for impairment.

At each balance sheet date the company reviews the carrying amounts of its investments to determine whether there is any indication that those investments have suffered an impairment loss. If such indication exists, the recoverable amount of the investment is estimated based on its net asset value and value in use. Where the recoverable amount of the investment is less than the carrying value an impairment loss is recognised in profit or loss in the period.

Functional currency

The functional currency of the company is the US dollar. The company is expected to have a significant level of US dollar assets and transactions. The financial statements are therefore presented in US dollars.

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Notes to the Financial Statements

3 Critical accounting judgments and key sources of estimation uncertainty

The preparation of the financial statements requires the directors to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Although these estimates are based on the directors' best knowledge of the amount, actual results ultimately may differ from those estimates. The areas involving a higher degree of judgement and complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below:

Goodwill

Goodwill is subject to impairment testing on an annual basis and at any time during the year if an indicator of impairment is considered to exist. The impairment testing process requires management to make significant judgements and estimates regarding the future cash flows expected to be generated by the use of and, if applicable, the eventual disposal of goodwill as well as other factors to determine the fair value. Management periodically evaluates and updates the estimates based on the conditions which influence these variables.

Where the carrying value exceeds the estimated recoverable amount (being the greater of fair value less costs of disposal and value-in-use), an impairment loss is recognised by writing down the goodwill to its recoverable amount. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. The estimates of future cash flows exclude cash inflows or outflows attributable to financing activities and income tax. Impairment losses arising in respect of goodwill are not reversed once recognised.

Impairment of investments

The principal activity of the company is to act as a holding company for underlying subsidiaries. As a result the main risk facing the company is the underlying trade of the investments not supporting the carrying value.

Investments are subject to impairment when there are indicators, such as, the net assets of the underlying company being less than the carrying value of the investments, adverse trade conditions in the underlying investments, cessation of trade in the underlying investments, significant losses in the year in the underlying investments and impairment of fixed assets in the underlying investments in the year.

Where the carrying value exceeds the estimated recoverable amount (being the greater of fair value less costs of disposal and value-in-use), an impairment loss is recognised by writing down the investments to its recoverable amount. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. The estimates of future cash flows exclude cash inflows or outflows attributable to financing activities and income tax. Impairment losses arising in respect of investments are not reversed once recognised.

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Notes to the Financial Statements

4 Interest receivable and similar income

	2016 \$ 000	2015 \$ 000
Foreign exchange gains	-	109
Interest receivable from group companies	3,700	4,131
	<u>3,700</u>	<u>4,240</u>

5 Interest payable and similar expenses

	2016 \$ 000	2015 \$ 000
On loans from group undertakings	462	506

6 Staff costs

The company had no employees during the year (2015: nil).

7 Directors' remuneration

The directors are remunerated by other group companies. Their services to the company is inconsequential to attract a notional charge.

8 Auditors' remuneration

Remuneration of \$5,500 (2015: \$6,100) paid to the auditor for their services to the company was borne by a fellow group undertaking.

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Notes to the Financial Statements

9 Taxation

Tax charged/(credited) in the statement of comprehensive income

	2016 \$ 000	2015 \$ 000
Current taxation		
UK corporation tax	-	981
UK corporation tax adjustment to prior periods	<u>(25)</u>	<u>-</u>
Tax (receipt)/expense in the statement of comprehensive income	<u>(25)</u>	<u>981</u>

The tax assessed for the year is the same as the standard rate of corporation tax in the UK (2015 - the same as the standard rate of corporation tax in the UK) of 20% (2015 - 20.25%).

The differences are reconciled below:

	2016 \$ 000	2015 \$ 000
(Loss)/profit before tax	<u>(1,647)</u>	<u>4,843</u>
Corporation tax at standard rate	(329)	981
Adjustment to tax charge in respect of prior year	(25)	-
Group relief for Enil consideration	<u>329</u>	<u>-</u>
Total tax (credit)/charge	<u>(25)</u>	<u>981</u>

Factors that may affect future tax charges

The UK corporation tax rate will reduce from 20% to 19% on 1 April 2017. A further reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce any current tax charges in future periods accordingly.

There are no other factors that may significantly affect future tax charges.

There were no amounts of provided or unprovided deferred taxation as at 31 December 2016 or 31 December 2015.

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Notes to the Financial Statements

10 Intangible assets

	Patents, licences and trademarks \$ 000
Cost	
At 1 January 2016	<u>73,133</u>
At 31 December 2016	<u>73,133</u>
Amortisation	
At 1 January 2016	<u>9,142</u>
At 31 December 2016	<u>9,142</u>
Net book value	
At 31 December 2016	<u>63,991</u>
At 31 December 2015	<u>63,991</u>

11 Investments

	Investments in subsidiary companies \$ 000
Cost	
At 1 January 2016	<u>15,306</u>
At 31 December 2016	<u>15,306</u>
Impairment	
At 1 January 2016	<u>6,876</u>
At 31 December 2016	<u>6,876</u>
Net book value	
At 31 December 2016	<u>8,430</u>
At 31 December 2015	<u>8,430</u>

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Notes to the Financial Statements

11 Investments (continued)

The directors of the company have undertaken a review of the company's investment in group undertakings as at 31 December 2016. There are no indications of impairment and the carrying values of the investments are correct.

Details of the subsidiaries as at 31 December 2016 are as follows:

Name of subsidiary	Registered office	Class of shares held	Proportion of ownership interest
Amersham Biosciences Holdings Inc	1959 Upper Water Street, Suite 900, Halifax, B3J 3N2, Nova Scotia, Canada	Ordinary	100%
GE Healthcare Life Sciences Argentina SA	Nicolás de Vedia 3616, 5 piso, Ciudad Autónoma de Buenos Aires, Argentina	Ordinary	90%
GE Healthcare Bio-Sciences (Thailand) Ltd	Thanapoom Twr 1550 New Petchaburi Rd, Makkasan, Ratchathewi, Bangkok, 10400, Thailand	Ordinary	100%
GE Healthcare Niagara Inc.*	1959 Upper Water Street, Suite 900, Halifax, B3J 3N2, Nova Scotia, Canada	Ordinary	100%

* Indirect Holdings

12 Debtors

	2016 \$ 000	2015 \$ 000
Amounts owed by group undertakings	295,461	415,684
Corporation tax asset	270	-
	<u>295,731</u>	<u>415,684</u>

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Notes to the Financial Statements

13 Creditors: Amounts falling due within one year

	2016 \$ 000	2015 \$ 000
Amounts owed to group undertakings	28,862	34,908
Corporation tax payable	-	285
	<u>28,862</u>	<u>35,193</u>

The loan notes owed to group undertakings are unsecured, have interest of LIBOR plus 0.75% and are repayable on 30 days notice.

14 Share capital

Allotted, called up and fully paid shares

	No. 000	2016 \$ 000	No. 000	2015 \$ 000
Ordinary shares of \$1 each	<u>60,427</u>	<u>60,427</u>	<u>60,427</u>	<u>60,427</u>

15 Dividends

	2016 \$ 000	2015 \$ 000
Dividend paid of \$1.85 (2015 - \$nil) per ordinary share	<u>112,000</u>	<u>-</u>

16 Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Amersham NMP China Limited, a company registered at Pollards Wood, Nightingales Lane, Chalfont St Giles, HP8 4SP, United Kingdom.

The smallest and largest group in which the results of the company are consolidated is that headed by its ultimate parent undertaking, General Electric Company, a company registered at 41 Farnsworth Street, Boston, Massachusetts, 02210, USA. The consolidated financial statements of this company are available to the public and may be obtained from the registered address or at www.ge.com.