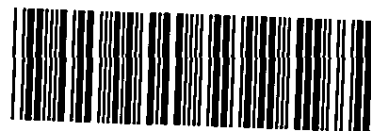


Russell pH Limited

Annual report and financial statements for
the year ended 31 December 2010

Company registration number: SC48114

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RUSSELL PH LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

Contents

	Page
Officers and professional advisers	1
Directors' report for the year ended 31 December 2010	2
Independent auditors' report to the members of Russell pH Limited	4
Profit and loss account for the year ended 31 December 2010	5
Balance sheet as at 31 December 2010	6
Notes to the financial statements for the year ended 31 December 2010	7

RUSSELL PH LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Directors

J Coley

K N Wheeler

K Wright (Appointed 1 December 2010)

Company Secretary

N J Ward

Oakwood Company Secretary Limited

Registered office

1 St George Square

Glasgow

G2 1AL

Bankers

Barclays Bank

1 Churchill Place

London

E14 5HP

Independent auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Erskine House

68-73 Queen Street

Edinburgh

EH2 4NH

RUSSELL PH LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2010.

Principal activities

The principal activity of the company was the manufacture, sale and distribution of pH electrodes and other sensing equipment.

The intention to close the business was announced on 3 August 2009, during 2010 all activity was transferred to fellow group companies.

Review of business and future developments

The directors are satisfied with the performance in the year in being able to turn in a good profit in the challenging conditions within a year of great change and wind down. The directors expect to see the company to become dormant in the near future.

Post balance sheet events

In January 2011, Russell PH Limited completed the sale of its property receiving proceeds of £180,000 on completion. The net book value of the property at 31 December 2010, as shown in note 8, was £57,000.

Results and dividends and key performance indicators

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

The loss after tax for the year was £2,000 (2009: profit of £17,000) which will be transferred to reserves. The directors do not recommend the payment of a dividend (2009: £Nil).

Principal risks and uncertainties

The management of the business is subject to a number of risks including financial instrument risk and interest rate cash flow risk. The mitigation of these risks has been outlined below.

Financial instruments

The main financial instruments the company holds are intercompany debtors and creditors. There is a limited risk associated with these as they fall within the same group organization with the same ultimate parent company.

Interest rate cash flow risk

The company has both interest bearing assets and interest bearing liabilities. Interest bearing assets and liabilities include only cash and intercompany balances, all of which earn interest at fixed rate.

Directors

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

J Coley
K N Wheeler
K Wright (Appointed 1 December 2010)

RUSSELL PH LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

Statement of directors' responsibilities

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

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

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

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

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 remain in force at the date of this report.

Disclosure of information to auditors

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

- So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- Each director has taken all the steps that he/she should have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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

On behalf of the Board



K R Wright
Director

5 September 2011

RUSSELL PH LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RUSSELL PH LIMITED

We have audited the financial statements of Russell pH Limited for the year ended 31 December 2010 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities set out on page 5 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.

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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on 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 2010 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.

Other matters

The company has passed a resolution in accordance with section 506 of the Companies Act 2006 that the senior statutory auditor's name should not be stated.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

5 September 2011

Edinburgh

RUSSELL PH LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	2010 £000s	2009 £000s
Turnover	2	745	1,041
Cost of sales		(461)	(633)
Gross profit		285	408
Administrative expenses		(261)	(176)
Distribution costs		(65)	(96)
Operating profit	3	(41)	136
Profit on disposal of property		-	81
Exceptional item- costs for closure of business		-	(264)
Interest receivable and similar income	6	36	64
(Loss)/profit on ordinary activities before taxation		(5)	17
Tax on (loss)/profit on ordinary activities	7	3	-
(Loss)/profit for the financial year	15	(2)	17

All amounts above result from discontinued operations.

The company has no recognised gains and losses other than those included in the profit and loss account above, and therefore, no separate statement of total recognised gains and losses has been presented.

There is no difference between the (loss)/profit on ordinary activities before taxation and the (loss)/profit for the financial years stated above, and their historical cost equivalent.

RUSSELL PH LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2010

	Note	2010 £'000	2009 £'000
Fixed assets			
Tangible assets	8	57	70
		57	70
Current assets			
Stocks	9	-	87
Debtors: amounts falling due within one year	10	4	243
Cash at bank and in hand		5,397	5,466
		5,401	5,796
Creditors: amounts falling due within one year	11	(10)	(175)
Net current assets		5,391	5,621
Total assets less current liabilities		5,448	5,691
Provisions for liabilities	12	(5)	(242)
Deferred taxation	13	-	(3)
Net assets		5,443	5,446
Capital and reserves			
Called up share capital	14	1	1
Share premium account	15	71	71
Capital redemption reserve	15	1	1
Profit and loss account	15	5,370	5,372
Total shareholders' funds	16	5,443	5,445

These financial statements on pages 5 to 14 were approved by the Board of Directors on 5 September 2011 signed on its behalf by



K R Wright

Director

Company registration number: SC48114

RUSSELL PH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

1 Accounting policies

Basis of accounting

These financial statements have been prepared on a going concern basis and under the historical cost convention in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, all of which have been consistently applied throughout the year and the preceding year are set out below.

Cash flow statement and related party disclosures

The company is included in the consolidated financial statements of Thermo Fisher Scientific Inc. which are publically available. Consequently, as the company is a 100% owned subsidiary, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996). The company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Thermo Fisher Scientific Inc. group (see note 20).

Tangible fixed assets and depreciation

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.

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:

Freehold land and buildings	- 40 years
Building improvements	- 5 to 20 years
Plant and equipment	- 7 to 10 years

Stocks

Stocks are stated at the lower of historical cost and net realisable value. Finished goods and work in progress include overheads appropriate to the stage of manufacture based on normal levels of activity. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Raw materials and goods for resale are valued at purchase cost on a first in, first out basis. Provision is made for obsolete, slow-moving or defective items where appropriate.

Provisions

Provisions are recognised when the company has a present obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Leasing and hire purchase commitments

Costs in respect of operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

Turnover

Turnover, which is stated net of value added tax and trade discounts, represents amounts invoiced to third parties and group companies. Turnover arising from goods and services which have not been delivered at year end has been deferred.

RUSSELL PH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

1 Accounting policies (continued)

Foreign currency

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.

Pensions

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.

Taxation

Corporation tax is provided on taxable profits at the current rate.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

2 Turnover

Turnover by geography	2010 £'000s	2009 £'000s
United Kingdom	745	570
Rest of Europe	-	352
Rest of World	-	119
	745	1,041

Turnover is attributable to one activity, the manufacture of pH sensing equipment.

RUSSELL PH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

3 Operating profit

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

	2010 £'000	2009 £'000
Depreciation of tangible fixed assets		
- Owned assets	10	8
Rent receivable	-	(3)
Operating lease charges		
- Plant and machinery	-	12
Auditors remuneration:		
- Audit services	-	11
Foreign exchange gain	-	(3)

4 Information regarding employees

By activity	2010 Number	2009 Number
Average monthly numbers of persons employed (excluding directors)		
Sales and marketing	1	2
Manufacturing	10	17
Administration	2	3
	13	22
Staff costs during the year (excluding directors)	2010 £'000	2009 £'000
Wages and salaries	257	395
Social security costs	22	33
Other pension costs	11	17
	290	445

5 Directors' emoluments

The emoluments of the directors are paid by a fellow group company, Thermo Electron Management Services Limited, which makes no recharge to the company. The directors are directors of Thermo Electron Management Services Limited and a number of fellow subsidiaries and it is not possible to make an accurate apportionment of his emoluments in respect of each of the subsidiaries. Accordingly, the above details include no emoluments in respect of the directors. Their total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of Thermo Electron Management Services Limited.

RUSSELL PH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

6 Interest receivable and similar income

	2010 £'000	2009 £'000
Bank interest receivable	36	64

7 Tax on (loss)/profit on ordinary activities

	2010 £'000	2009 £'000
Current tax		
UK corporation tax on (loss)/profits of the year	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	(4)	-
Adjustment in respect of prior years	1	-
Total deferred tax (note 13)	(3)	-
Tax charge on (loss)/profit on ordinary activities	(3)	-

Factors affecting tax charge for the year:

The tax assessed for the year is higher (2009: lower) than the standard rate of corporation tax in the UK 28% (2009: 28%). The differences are outlined below:

	2010 £'000	2009 £'000
(Loss)/profit on ordinary activities before taxation	(5)	17
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK 28% (2009: 28%)	(1)	5
Effects of:		
(Income)/Expenses not (allowable)/deductible for tax purposes	(2)	(22)
Accelerated capital allowances and other timing differences	4	-
Short term timing differences	(20)	74
Group relief claimed for nil charge	19	(60)
Chargable gains	-	3
Current tax charge for the year	-	-

RUSSELL PH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

7 Tax on (loss)/profit on ordinary activities (continued)

Factors that may affect future tax charges:

The Finance Act (No 2) 2010 was substantively enacted on 20 July 2010 and includes legislation to reduce the main rate of corporation tax from 28% to 27% from 1 April 2011. Further reductions to the UK corporation tax rate were announced in the June 2010 Budget. These changes, which are expected to be enacted separately each year, propose to reduce the rate by 1% per annum to 24% by 1 April 2014.

In addition to the changes in rates of Corporation tax disclosed above, a number of further changes to the UK Corporation tax system were announced in the March 2011 UK Budget Statement. A resolution passed by Parliament on 29 March 2011 has reduced the main rate of corporation tax to 26% from 1 April 2011. Legislation to reduce the main rate of corporation tax from 26% to 25% from 1 April 2012 is expected to be included in the Finance Act 2011. Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 23% by 1 April 2014.

As at the balance sheet date these further proposed changes to rates and capital allowances had not been substantively enacted and, therefore, are not recognised in these financial statements. The impact of the proposed changes is not expected to be material to the balance sheet.

8 Tangible assets

	Land and buildings £'000	Property improve- ments £'000	Plant and machinery £'000	Total £'000
Cost				
At 1 January 2010	142	20	298	460
Disposals	-	(20)	(100)	(120)
At 31 December 2010	142	-	198	340
Accumulated depreciation				
At 1 January 2010	77	17	296	390
Charge for the year	8	1	1	10
Disposals	-	(18)	(99)	(117)
At 31 December 2010	85	-	198	283
Net book value				
At 31 December 2010	57	-	-	57
At 31 December 2009	65	3	2	70

RUSSELL PH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

9 Stock

	2010 £'000	2009 £'000
Raw materials and consumables	-	59
Work in progress	-	9
Finished goods and goods for resale	-	19
	-	87

10 Debtors: amounts falling due within one year

	2010 £'000	2009 £'000
Trade debtors	1	99
Amounts owed by group undertakings	-	51
Other debtors	3	-
Prepayments and accrued income	-	93
	4	243

11 Creditors – amounts falling due within one year

	2010 £'000	2009 £'000
Trade creditors	-	47
Amounts owed to group undertakings	-	17
Taxation and social security	-	20
Accruals and deferred income	10	91
	10	175

12 Provisions for liabilities

	Restructuring £'000	Total £'000
At 1 January 2010	242	242
Charged to the profit and loss account	(70)	(70)
Utilised during the year	(167)	(167)
At 31 December 2010	5	5

The restructuring provision at 31 December 2010 represents costs associated with the transfer of the company's activities to another group entity and closure of the site.

RUSSELL PH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

13 Deferred tax asset

Provision for deferred taxation	Deferred tax asset £'000	
At 1 January 2010		3
Charge to profit and loss account		(3)
<hr/>		
At 31 December 2010		-
	2010	2009
	£'000	£'000
Accelerated capital allowances	-	5
Pension timing differences	-	(2)
Other timing differences	-	-
<hr/>		
Deferred tax	-	3

14 Called up share capital

	2010	2009
	£	£
Authorised		
3,000 ordinary shares of £1	3,000	3,000
<hr/>		
Allotted and fully paid		
1,400 ordinary shares of £1	1,400	1,400

15 Reserves

	Share premium account £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
At 1 January 2010	71	1	5,372	5,444
Loss for the financial year	-	-	(2)	(2)
<hr/>				
At 31 December 2010	71	1	5,370	5,442

RUSSELL PH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

16 Reconciliation of movements in shareholders' funds

	2010 £'000	2009 £'000
(Loss)/profit for the financial year	(2)	17
Net (reduction)/addition to shareholders' funds	(2)	17
Opening shareholders' funds	5,445	5,428
Closing shareholders' funds	5,443	5,445

17 Defined contribution pension scheme

The company operates a defined contribution scheme. The pension cost charge for the year represents contributions payable by the company to the fund and amounted to £11,000 (2010: £17,000). The liability at the year end for the contributions payable to the defined contribution scheme is £nil (2010: £nil).

18 Financial Commitments

At 31 December 2010, the company had annual commitments under non-cancellable operating leases expiring as follows:

Other		
Within one year	-	11
Within two to five years	-	10
	-	21

19 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.

20 Ultimate parent undertaking and controlling party

The immediate and 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 publically available and can be obtained from its headquarters at 81 Wyman Street, Waltham, MA 02454, USA.