

Maelor Laboratories Limited


Annual report and financial statements for the year ended 31 December 2019

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Company no 03357249

Maelor Laboratories Limited

Company Information

Company registration number 03357249

Registered office Avonbridge House
Bath Road
Chippenham
Wiltshire
SN15 2BB

Directors P J Butterfield
A T Franklin
A J H Duggan
S M Kidner

Secretary C T Chrysanthou

Bankers Lloyds Bank Corporate Markets PLC
25 Gresham Street
London EC2V 7HN

Maelor Laboratories Limited

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Maelor Laboratories Limited

Strategic report

The Directors present their annual report and the financial statements of the Company for the year ended 31 December 2019.

Principal Activity

The trade and assets of the company were hived up into Alliance Pharmaceuticals Limited on 31 March 2017, with the exception of debtors, cash and payables which continued to be collected/paid throughout 2018 and 2019.

Business Review and dividends

The company has declared and paid dividends of £0.42m (2018: £5.8m) during the year to the intermediate parent company Alliance Pharmaceuticals Limited.

Key performance indicators

The operations of Maelor Laboratories Limited are managed at Alliance Pharma plc group level and the directors therefore believe that disclosure of key performance indicators for the Company are not appropriate to understand the performance or position of the business, with the exception of those disclosed in the business review. The performance of Alliance Pharma plc is disclosed in the Group's annual report and financial statements which are publically available and do not form part of this report.

Future developments and outlook

Maelor Laboratories Limited is expected to be a dormant company from 1 January 2020.

Principal risks and uncertainties

The Directors of Alliance Pharma plc, the Company's ultimate parent undertaking, manage the Group's risks at a group level, rather than at an individual business unit level. The principal risks and uncertainties of the Alliance Pharma plc Group, which include those of the Company, and how they are managed are disclosed in the Strategic Report of the Group's annual report which does not form part of this report.

BY ORDER OF THE BOARD



Chrysanthos Chrysanthou

Company Secretary

25 August 2020

Maelor Laboratories Limited

Directors' report

Directors

The Directors who served the Company during the year were as follows:

PJ Butterfield
AT Franklin
A J H Duggan
S M Kidner

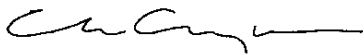
Financial instruments

The Company does not enter into any hedging instruments or financial instruments for speculative purposes. Appropriate trade terms are negotiated with suppliers and customers. Management review these terms and the relationships with suppliers and customers and manages any exposure on normal trade terms. The Company prepares regular forecasts of cash flow and liquidity and any requirement for additional funding is managed as part of the overall Alliance Pharma plc financing arrangements.

Political contributions

The Company made no political donations or incurred any political expenditure during the year.

BY ORDER OF THE BOARD



Chrysanthos Chrysanthou

Company Secretary
25 August 2020

Avonbridge House
Bath Road
Chippenham
Wiltshire
SN15 2BB

Maelor Laboratories Limited

Statement of Directors' responsibilities in respect of the Strategic report, Directors' report and the financial statements

The directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Maelor Laboratories Limited
Profit and Loss Account
For the year ended 31 December 2019

		Year ended 31 December 2019 £000s	Year ended 31 December 2018 £000s
	Note		
Revenue		-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses		(1)	(176)
Operating Loss		(1)	(176)
Interest payable and similar expenses	5	-	(243)
Loss before taxation		(1)	(419)
Tax on profit	7	-	77
Loss for the year		(1)	(342)

There were no recognised gains and losses other than the loss for the year (2018:nil) as noted above and therefore no separate Statement of Comprehensive Income has been prepared.

All the results shown in the profit and loss account, derive from continuing operations. The notes on pages 9 to 14 form part of these financial statements.

Maelor Laboratories Limited
Balance sheet
At 31 December 2019

		31 December 2019	31 December 2019	31 December 2018	31 December 2018
	Note	£000s	£000s	£000s	£000s
Current assets					
Debtors	8	25		229	
Cash at bank and in hand	9	-		198	
		25		427	
Creditors: amounts falling due within one year		-		-	
Net current assets			25		427
Total assets less current liabilities			-		427
Net assets			25		427
Capital and reserves					
Called up share capital	10		-		-
Profit and loss account			25		427
Shareholders' funds			25		427

Directors' responsibilities:

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

For the year ending 31/12/2019 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The financial statements were approved by the Board of Directors on 25 August 2020 and were signed on its behalf by:



Peter Butterfield
Director



Andrew Franklin
Director

Company number 03357249

The accompanying accounting policies and notes form an integral part of these financial statements.

Maelor Laboratories Limited
Statement of changes in shareholders' equity
At 31 December 2019

	Ordinary share capital £000s	Profit and loss account £000s	Total equity £000s
Balance at 1 January 2019	-	427	427
Loss for the year	-	(1)	(1)
Total comprehensive loss for the year	-	(1)	(1)
Dividend paid	-	(401)	(401)
Transactions with owners	-	(401)	(401)
Balance at 31 December 2019	-	25	25
Balance at 1 January 2018	-	6,584	6,584
Loss for the period	-	(342)	(342)
Total comprehensive income for the period	-	(342)	(342)
Dividend Paid	-	(5,815)	(5,815)
Transactions with Owners	-	(5,815)	(5,815)
Balance at 31 December 2018	-	427	427

The accompanying accounting policies and notes form an integral part of these financial statements.

Maelor Laboratories Limited

Notes to the financial statements continued

For the year ended 31 December 2019

1. General information and principal accounting policies

General information

Maelor Laboratories Limited was acquired by Alliance Pharmaceuticals Limited on 17 December 2015 from Sinclair IS Pharma plc. Prior to the acquisition, the company was dormant and commenced trading on 17 December 2015.

The principal activity of the Company was the selling and marketing of pharmaceutical products and medical devices through third party wholesalers and distributors. The trade and assets of the Company were hived up into Alliance Pharmaceuticals Limited on 31 March 2017, with the exception of debtors, cash and payables. After final debtors and payables have been realised, cash will transfer to Alliance Pharmaceuticals Limited through a dividend distribution and Maelor Laboratories Limited is expected to be a dormant company from 1 January 2020.

The Company is a private company limited by shares incorporated, domiciled and registered in England under the Companies Act. The address of its registered office is Avonbridge House, Bath Road, Chippenham, Wiltshire, SN15 2BB.

2. 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 periods presented.

2.1 Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 have been applied.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel;

As the consolidated financial statements of Alliance Pharma plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

2.2 Going concern

At the balance sheet date the Company had net current and net assets of £25,000 (2018: £427,000). Alliance Pharma plc has confirmed that it will provide the necessary financial support for at least 12 months from the date of approval of these financial statements to enable the Company to meet its liabilities as they fall due. The Company's external liabilities will be settled before proposed dormant status is assumed. The directors of the Company have made appropriate enquiries of the directors of Alliance Pharma plc to confirm that they are satisfied that the financial support will be available and accordingly continue to prepare the financial statements on a going concern basis.

2.3 Judgements and estimates

The preparation of the financial statements requires the Directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances relevant. Actual results may differ from these estimates.

Maelor Laboratories Limited
Notes to the financial statements continued
For the year ended 31 December 2019

2. Summary of significant accounting policies (continued)

2.3 Judgements and estimates (continued)

The estimates and underlying assumptions are reviewed by the Directors on an on-going basis. Revisions to accounting estimates are recognised in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

2.4 Revenue Recognition

Identification of performance obligations

Revenue comprises consideration received or receivable for the sale of goods in the ordinary course of the Company's activities, namely the distribution of pharmaceutical products. The Company also receives royalties in relation to certain agreements with distributors in exchange for the licensed use of intellectual property and trademarks owned by the Group, which are generally based on sales volumes. The Company has assessed the performance obligations as being each unit of good sold either by the Company or by a distributor.

Transaction price

The transaction price for each performance obligation comprises the stand-alone selling price for the product excluding value-added tax and net of rebates and discounts. Intra-group sales are eliminated in the consolidated financial statements.

Royalty income and the deductions relating to rebates and discounts are based on the Group's contractual obligations. Certain of the royalty and rebate arrangements also include elements of variable consideration. The Group does not consider these elements to be significant, however an estimate of variable consideration is included where appropriate.

The Company has considered whether it is an 'agent' or 'principal' under IFRS 15 for each commercial arrangement and accounted for these accordingly.

Timing of recognition

Under IFRS 15 an entity recognises revenue when it satisfies a performance obligation by transferring a good to a customer. An entity transfers a good to a customer when the customer obtains control of that good. Control may be transferred either at a point in time or over time. For the Company, revenue is recognised at a point in time when customers have control of the sold goods, or on an appropriate basis where royalty or other arrangements are in place with third parties.

The Company does not consider that judgements made in evaluating when customers obtain control of a promised good to have significantly influenced the timing of revenue recognition in the year.

2.5 Foreign currency transactions

The financial statements are presented in Sterling, which is the presentational currency of the Company. Foreign currency transactions are booked at the exchange rate ruling on the date of the transaction. Foreign currency monetary assets and liabilities are retranslated into local currency at the rate of exchange ruling at the balance sheet date. Exchange differences are booked to the profit and loss account.

2.6 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year. Deferred tax is calculated using tax rates enacted or substantively enacted at the balance sheet date, along with any adjustment to tax payable in respect of previous years.

Maelor Laboratories Limited
Notes to the financial statements continued
For the year ended 31 December 2019

2. Summary of significant accounting policies (continued)

2.7 Trade creditors

Trade creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

2.8 Trade debtors

Trade debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. The Company's debtors are subject to the IFRS 9 expected credit loss model. The Company has applied the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance based on historic default rates.

2.9 Cash at bank and in hand

Cash at bank and in hand comprises cash balances and call deposits.

2.10 Shareholders' funds

Shareholders' funds comprise the following:

"Ordinary share capital" represents the nominal value of equity shares.

"Profit and loss account" represent retained profit.

2.11 Group Reconstructions

On group reconstructions or hive ups assets can be transferred to Group companies at book value. No profit on disposal is recognised in the Company accounts if amounts are settled by an equal amount of consideration.

Maelor Laboratories Limited
Notes to the financial statements continued
For the year ended 31 December 2019

3. Expenses and auditor's remuneration

Included in profit/(loss) are the following:

	Year ended 31 December 2019 £ 000s	Year ended 31 December 2018 £ 000s
Net gain/(loss) on foreign exchange transactions	-	(243)

4. Auditor's remuneration:

	Year ended 31 December 2019 £ 000s	Year ended 31 December 2018 £ 000s
Audit of these financial statements	-	-

For the year ending 31 December 2019 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

	Year ended 31 December 2019 £ 000s	Year ended 31 December 2018 £ 000s
5. Interest payable and similar expenses		
Net exchange losses	-	243
	-	243

6. Staff costs and Directors' remuneration

The Company had no employees in the year ended 31 December 2019 (2018: nil).

7. Taxation

Analysis of the credit for the period is as follows:

	Year ended 31 December 2019 £ 000s	Year ended 31 December 2018 £ 000s
Current Tax:	-	(77)
Deferred tax:	-	-
Taxation for the year	-	(77)

Maelor Laboratories Limited
Notes to the financial statements continued
For the year ended 31 December 2019

7. Taxation (continued)

The difference between the total taxation shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	Year ended 31 December 2019 £ 000s	Year ended 31 December 2018 £ 000s
Loss before tax	(1)	(419)
Loss before tax multiplied by standard rate of corporation tax in the United Kingdom of 19.00% (2018: 19.00%)	-	(80)
Effect of:		
Non-deductible expenses	(1)	(3)
Total taxation	-	(77)

8. Debtors

	31 December 2019 £ 000s	31 December 2018 £ 000s
Other taxes and social security costs	-	14
Other debtors	25	215
	25	229

9. Cash at bank and in hand

	31 December 2019 £ 000s	31 December 2018 £ 000s
Cash at bank and in hand	-	198

10. Called up share capital

	31 December 2019 £	31 December 2018 £
Authorised:		
2 Ordinary shares of £1 each	2	2
	2	2
Allotted, called up and fully paid:		
2 Ordinary shares of £1 each	2	2

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

11. Hive up of trade and assets

On the 31 March 2017 the trade and certain assets of the Company were transferred at net book value to the Company's intermediate parent undertaking, Alliance Pharmaceuticals Limited.

Maelor Laboratories Limited
Notes to the financial statements continued
For the year ended 31 December 2019

12. Capital Commitments

The Company had no capital commitments at 31 December 2019 (2018: nil).

The Company had no commitments under non-cancellable operating leases (2018: nil).

13. Ultimate parent company

The Directors consider that the controlling party of the Company is its ultimate parent undertaking, Alliance Pharma plc. This is by virtue of its 100% shareholding of the Company's parent undertaking, Alliance Pharmaceuticals Limited. The registered office address of Alliance Pharma plc is Avonbridge House, Bath Road, Chippenham, Wiltshire, SN15 2BB. The largest and smallest Group undertaking for which group accounts have been prepared is that prepared by Alliance Pharma plc. These accounts are available from the registered office of this company.

There is no single ultimate controlling party.

14. Related party transactions

The Company has taken advantage of FRS 101 which exempts the Company from disclosing transactions entered into with other Group companies, provided those companies are also wholly owned.