

Maelor Laboratories Limited

Annual report and financial statements for the year ended 31 December 2017

Company no 03357249

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Maelor Laboratories Limited

Company Information

Company registration number

03357249

Registered office

Avonbridge House
Bath Road
Chippenham
Wiltshire
SN15 2BB

Directors

J Dawson (resigned 30 April 2018)
P J Butterfield
A T Franklin

Secretary

R C Bellhouse (appointed 31 December 2016,
resigned 1 September 2017)
C T Chrysanthou (appointed 1 September 2017)

Bankers

Barclays Bank Plc
22/24 Upper Marlborough Road
St Albans
AL1 3AL

Royal Bank of Scotland
3rd Floor
3 Temple Back East
Bristol
BS1 6DZ

Auditor

KPMG LLP
66 Queens Square
Bristol
BS1 4BE

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 2017.

Principal Activity

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.

Business Review

The results of the Company for the twelve months to 31 December 17 show turnover of £5,616,000 (Eighteen months ended 31 Dec 16: £23,933,000) and a profit before tax of £1,121,000 (Eighteen months ended 31 Dec 16: £6,484,000). The reduction in turnover and profit before tax was a result of the transfer of trade to Alliance Pharmaceuticals Limited on 31 March 2017.

Net assets at 31 December 2017 were £6.6m (31 December 2016: £5.3m). As part of the hive up all intangible assets were transferred to Alliance Pharmaceuticals Limited. At 31 December these are therefore £nil (2016: £59,700,000).

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.

Future developments and outlook

After 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 2019.

Principal risks and uncertainties

The Directors of Alliance Pharma plc, the Company's 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

11 May 2018

Maelor Laboratories Limited

Directors' report

Directors

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

J Dawson
PJ Butterfield
AT Franklin

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.

Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Dividends

No dividends were declared or paid during the year (2016: £nil).

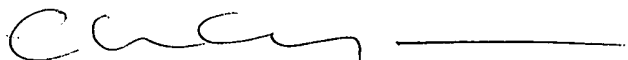
Political contributions

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

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

BY ORDER OF THE BOARD



Chrysanthos Chrysanthou

Company Secretary

11 May 2018

Avonbridge House
Bath Road
Chippenham
Wiltshire
SN15 2BB

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAELOR LABORATORIES LIMITED

Opinion

We have audited the financial statements of Maelor Laboratories Limited ("the company") for the year ended 31 December 2017 which comprise the profit and loss account, balance sheet, statement of changes in shareholder equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement 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; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAELOR LABORATORIES LIMITED
(CONTINUED)**

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Andrew Campbell-Orde (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

66 Queen Square

Bristol

BS1 4BE

17 May 2018

Maelor Laboratories Limited
Profit and Loss Account

For the year ended 31 December 2017

	Note	Year ended 31 December 2017 £000s	Eighteen months ended 31 December 2016 £000s
Turnover	3	5,616	23,933
Cost of sales		(3,441)	(12,669)
Gross profit		2,175	11,264
Administrative expenses		(723)	(3,576)
Operating profit		1,452	7,688
Interest receivable and similar income	5	39	351
Interest payable and similar expenses	6	(370)	(1,555)
Profit before taxation		1,121	6,484
Tax on profit	8	206	(1,227)
Profit for the period		1,327	5,257

There were no recognised gains and losses other than the profit for the year or prior period 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 11 to 17 form part of these financial statements.

Maelor Laboratories Limited
Balance sheet
At 31 December 2017

		31 December 2017 £000s	31 December 2017 £000s	31 December 2016 £000s	31 December 2016 £000s
	Note				
Fixed Assets					
Intangible assets	9	-	-	59,700	59,700
Current assets					
Stocks	10	-	-	2,007	
Debtors	11	15,997		13,243	
Cash at bank and in hand	12	89		2,455	
		16,086		17,705	
Creditors: amounts falling due within one year	13	(9,502)		(71,751)	
		(9,502)		(71,751)	
Net current assets/(liabilities)			6,584		(54,046)
Total assets less current liabilities			6,584		5,654
Deferred tax liability	14		-		(397)
Net assets			6,584		5,257
Capital and reserves					
Called up share capital	15		-		-
Profit and loss account			6,584		5,257
Shareholders' funds			6,584		5,257

The financial statements were approved by the Board of Directors on 11 May 2018 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 2017

	Ordinary share capital £000s	Profit and loss account £000s	Total equity £000s
Balance at 31 December 2016	-	5,257	5,257
Profit for the year	-	1,327	1,327
Total comprehensive income for the period	-	1,327	1,327
Balance at 31 December 2017	-	6,584	6,584
Balance at 1 July 2015	-	-	-
Profit for the period	-	5,257	5,257
Total comprehensive income for the period	-	5,257	5,257
Balance at 31 December 2016	-	5,257	5,257

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

Alliance Pharmaceuticals Limited

Cash flow statement

At 31 December 2011

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 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 2019.

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, tangible fixed assets and intangible assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- 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 IAS 36 Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets;
- Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the Company in the current and prior periods including the comparative period reconciliation for goodwill; and
- 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 assets of £6,584,000 (2016 net current liabilities of: £54,046,000) and net assets of £6,584,000 (2016 net assets of: £5,257,000). 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.

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'.

Maelor Laboratories Limited

Notes to the financial statements continued

For the year ended 31 December 2017

2. Summary of significant accounting policies (continued)

2.4 Turnover

Turnover comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Company's activities. Turnover is shown net of value-added tax, estimated returns, rebates, including the Pharmaceutical Price Regulation Scheme, and discounts and represents amounts invoiced to third parties or other group companies in relation to the Company's sole activity, namely the distribution of pharmaceutical products. Turnover is recognised at the point when substantially all of the risks and rewards of ownership are transferred to the customer; normally this is on dispatch.

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 Intangible assets

Acquired intangible assets

(i) Brands

Separately acquired brands are shown at cost less accumulated amortisation and impairment. Brands acquired as part of a business combination are recognised at fair value at the acquisition date, where they are separately identifiable. Brands are amortised over their useful economic life, except when their life is determined as being indefinite.

Applying indefinite lives to certain acquired brands is appropriate due to the stable long-term nature of the business and the enduring nature of the brands. Indefinite life brands are tested at least annually for impairment.

A review of the useful economic life of brands is performed annually, to ensure that these lives are still appropriate. If a brand is considered to have a finite life, its carrying value is amortised over that period.

(ii) Patents

Where an acquired intangible includes a definite period of patent protection and the value attributed to the patent is considered material, the Company has accounted for the value of the patent separate to the underlying brand. The patent is amortised over the period to patent expiry.

(iii) Distribution rights

Payments made in respect of product registration, acquired and reacquired distribution rights are capitalised where the rights comply with the above requirements for recognition of acquired brands. If the registration or distribution rights are for a defined time period, the intangible asset is amortised over that period. If no time period is defined, the intangible asset is treated in the same way as acquired brands with an indefinite life. If the licence period can be extended the useful life of the intangible asset shall include the renewal period only if there is evidence to support renewal by the entity without disproportionate cost.

Impairment

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level at least annually.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use based on an internal discounted cash flow evaluation. Any remaining impairment loss is charged pro rata to the other assets in the cash generating unit. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

2.7 Stocks

Stocks are included at the lower of cost, less any provision for impairment, or net realisable value. Cost is determined on a first-in-first-out basis. Stock provisions have been made for slow moving and obsolete stock. These provisions are estimates and the actual costs and timing of future cash flows are dependent on future events.

2.8 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, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

2. Summary of significant accounting policies (continued)

2.8 Taxation (continued)

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

2.9 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.

2.10 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. A provision for impairment of trade debtors is established when there is objective evidence that the company will not be able to collect amounts due according to the original terms of the receivables.

2.11 Cash at bank and in hand

Cash at bank and in hand comprises cash balances and call deposits. Bank overdrafts that are repayable on demand form an integral part of the Company's cash management.

2.12 Shareholders' funds

Shareholders' funds comprise the following:

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

"Profit and loss account" represents retained profit.

2.13 Expenses

Interest receivable and Interest payable

Interest payable and similar expenses include interest payable, unwinding of the discount on provisions and deferred consideration, and net foreign exchange losses that are recognised in the profit and loss account. Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

2.14 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.

3. Turnover

The following turnover information is based on the geographical location of the customer:

	Year ended 31 December 2017 £000s	Eighteen months ended 31 December 2016 £000s
United Kingdom	1,869	4,817
Rest of Europe	1,333	8,594
Rest of the World	2,414	10,522
Total turnover	5,616	23,933

Maelor Laboratories Limited
Notes to the financial statements continued
For the year ended 31 December 2017

4. Expenses and auditor's remuneration

Included in profit/loss are the following:

	Year ended 31 December 2017	Eighteen months ended 31 December 2016
	£ 000s	£ 000s
Net gain on foreign exchange transactions	39	351
Write down of stock (note 11)	89	113

Auditor's remuneration:

	Year ended 31 December 2017	Eighteen months ended 31 December 2016
	£ 000s	£ 000s
Audit of these financial statements	3	23

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's ultimate parent, Alliance Pharma plc.

5. Interest receivable and similar income

	Year ended 31 December 2017	Eighteen months ended 31 December 2016
	£ 000s	£ 000s
Net exchange gains	39	351

6. Interest payable and similar expenses

	Year ended 31 December 2017	Eighteen months ended 31 December 2016
	£ 000s	£ 000s
Intercompany interest	368	1,554
Other interest payable	2	1
	370	1,555

7. Staff costs and Directors' remuneration

The Company had no employees in the period ended 31 December 2017 (2016: nil).

J Dawson, P J Butterfield and A T Franklin were directors of Alliance Pharma plc, during the year to 31 December 2017. Full disclosure of the directors emoluments are in the Alliance Pharma plc annual report and accounts.

The allocated amount of remuneration for their services as directors for the year was £8,000.

Maelor Laboratories Limited
Notes to the financial statements continued
For the year ended 31 December 2017

8. Taxation

Analysis of the (credit)/charge for the period is as follows:

	Year ended 31 December 2017 £ 000s	Eighteen months ended 31 December 2016 £ 000s
Current tax:		
In respect of current period	128	830
Adjustment in respect of prior periods	64	-
Deferred tax: (see note 14)		
Origination and reversal of timing differences	(1,198)	397
Adjustment in respect of prior periods	800	-
Taxation	(206)	1,227

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 2017 £ 000s	Eighteen months ended 31 December 2016 £ 000s
Profit before tax	1,121	6,484
Profit before tax multiplied by standard rate of corporation tax in the United Kingdom of 19.25% (2016: 20.00%)	216	1,297
Effect of:		
Non-deductible expenses	8	-
Adjustment in respect of prior period	864	-
Impact of reduction in UK tax rate on deferred tax	(14)	(70)
Transfer of deferred tax to group undertaking upon hive up	(1,280)	-
Total taxation	(206)	1,227

Changes to the UK corporation tax rate were announced in Finance Act (No 2) 2015 and Finance Act 2016, reducing the UK's main rate to 17% from 1 April 2020. As the changes were substantively enacted at the balance sheet date the effects are included in these financial statements.

9. Intangible assets

	Brands and distribution rights £ 000s
Cost	
At 31 December 2016	59,700
Transfers	(59,700)
At 31 December 2017	-
Amortisation and impairment	
At 31 December 2016	-
Amortisation	-
At 31 December 2017	-
Net book amount	
At 31 December 2017	-
At 31 December 2016	59,700

Maelor Laboratories Limited
Notes to the financial statements continued

For the year ended 31 December 2017

9. Intangible assets (continued)

On the 31 March 2017 the value of £59,700,000 was transferred at net book value as part of the hive up of Maelor Laboratories Limited to Alliance Pharmaceuticals Limited (note 16).

10. Stocks

	31 December 2017	31 December 2016
	£ 000s	£ 000s
Finished goods and materials	-	2,007

Stock costs expensed through the profit and loss account were £1,323,000 (2016: £11,522,000). During the period £89,000 (2016: £113,000) was recognised as an expense relating to the write down of stock to net realisable value.

11. Debtors

	31 December 2017	31 December 2016
	£ 000s	£ 000s
Trade debtors	273	3,714
Amounts owed by Group undertakings	15,290	8,431
Other taxes and social security costs	429	439
Other debtors	5	358
Prepayments and accrued income	-	301
	15,997	13,243

12. Cash at bank and in hand

	31 December 2017	31 December 2016
	£ 000s	£ 000s
Cash at bank and in hand	89	2,455

13. Creditors: amounts falling due within one year

	31 December 2017	31 December 2016
	£ 000s	£ 000s
Trade creditors	2	766
Amounts owed to Group undertakings	9,460	68,905
Accruals and deferred income	-	1,250
Other taxes and social security costs	40	-
Corporation tax	-	830
	9,502	71,751

14. Deferred tax liability

The elements of deferred taxation are as follows:

	31 December 2017	31 December 2016
	£000s	£ 000s
Accelerated allowances on intangible assets	-	(397)
	-	(397)
Deferred tax liability	-	(397)
	-	(397)

Maelor Laboratories Limited
Notes to the financial statements continued
For the year ended 31 December 2017

15. Called up share capital

	31 December 2017 £	31 December 2016 £
Authorised:		
2 Ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>
	31 December 2017 £	31 December 2016 £
Allotted, called up and fully paid:		
2 Ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

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.

16. 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 parent undertaking, Alliance Pharmaceuticals Limited.

The impact on the Company balance sheet was as follows:

Hive up Assets	£000s
Brand and distribution rights (note 11)	<u>(59,700)</u>
Satisfied by	
Reduction in amounts owed to Group undertaking (note 13)	<u>59,700</u>
	<u>-</u>

17. Commitments

The Company had no capital commitments at 31 December 2017 (2016: nil).

The Company had no commitments under non-cancellable operating leases (2016: nil).

18. 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.

19. 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.