

Registered number: 00044687

---

**FISONS LIMITED**

---

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

FRIDAY



\*A9K5HXSR\*

A09

18/12/2020

#36

COMPANIES HOUSE

---

**FISONS LIMITED**

---

**COMPANY INFORMATION**

---

<b>Directors</b>	F X Duhalde H Fry
<b>Registered number</b>	00044687
<b>Registered office</b>	410 Thames Valley Park Drive Reading Berkshire RG6 1PT
<b>Independent Auditor</b>	Ernst & Young LLP Statutory Auditor Apex Plaza Forbury Road Reading RG1 1YE

---

**FISONS LIMITED**

---

**CONTENTS**

---

	Page
<b>Strategic Report</b>	<b>1 - 3</b>
<b>Directors' Report</b>	<b>4 - 6</b>
<b>Directors' Responsibilities Statement</b>	<b>7</b>
<b>Independent Auditor's Report</b>	<b>8 - 10</b>
<b>Statement of Comprehensive Income</b>	<b>11</b>
<b>Balance Sheet</b>	<b>12 - 13</b>
<b>Statement of Changes in Equity</b>	<b>14 - 15</b>
<b>Notes to the Financial Statements</b>	<b>16 - 44</b>

---

## FISONS LIMITED

---

### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

---

#### Introduction

The directors present their strategic report for Fisons Limited ("the company") for the year ended 31 December 2019.

#### Principal activities and review of business

The company does not trade but receives interest on an inter-group current account balance, as well as royalty income. The company continues as a participating employer in the defined benefit Sanofi-Aventis UK Pension Scheme.

The key financial performance indicators during the year were as follows:

	2019 £000	2018 £000	% change
Turnover	509	39,195	(99%)
Operating profit	5,308	10,561	(50%)
Shareholders' funds	625,067	629,095	(1%)

Turnover and operating profit decreased due to the cessation of trading as at 30th September 2018.

#### Principal risks and uncertainties

The company's operations expose it to a variety of risks that include the effects of changes in price risk, credit risk, liquidity risk, interest rate risk and foreign exchange risk. The company complies with the Sanofi (the company's ultimate parent undertaking) policies and risk management program that seeks to limit the adverse effect of these risks on the company. In order to ensure stability of cash outflows and hence manage interest rate risk for the group, Sanofi manages the risk of fluctuation of interest rates on behalf of all companies within the group and uses derivative financial instruments to do this.

##### Price risk

The company is not materially exposed to commodity price risk as a result of its operations, and therefore believes that the costs of managing these risks outweigh any potential benefit. The directors will revisit the appropriateness of this policy should the company's level of exposure materially increase in the future. The company has no exposure to equity securities price risk as it holds no listed or other equity investments.

##### Credit risk

The company has implemented policies that require appropriate credit checks on potential customers, before sales are made. Where finance is required to meet the cash flow needs of the company the United Kingdom treasury department, with the approval of the directors, obtain this from Sanofi who in turn manages the external risk across the worldwide group.

##### Liquidity risk

The company is financed through intercompany current and loan accounts and also has in place arrangements with Sanofi to ensure the availability of sufficient funds for the company's ongoing operations, should additional funds be required for operations or planned expansions.

---

## FISONS LIMITED

---

### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

---

#### Principal risks and uncertainties (continued)

##### Interest rate cash flow risk

The company has interest bearing assets. Short term interest bearing assets include amounts receivable from other fellow subsidiaries within the United Kingdom which earn interest at LIBOR minus 15 basis points. Long term interest bearing amounts receivable from other fellow subsidiaries earn interest at a LIBOR plus 15 basis points. No interest is charged on balances due to or receivable from fellow dormant subsidiaries within the United Kingdom.

##### Foreign exchange risk

Sanofi operates a foreign exchange risk hedging policy to reduce the exposure of operating income to fluctuations in foreign currencies, particularly the US dollar and the Euro but also other currencies where required. In order to mitigate these fluctuations the company is required to enter into derivative contracts with Sanofi. The policy involves regular assessments of the Group's worldwide foreign currency exposure, based on budget estimates of foreign-currency transactions to be carried out by the parent company and its subsidiaries.

These transactions mainly comprise sales, purchases, research costs, co-marketing and co-promotion expenses, and royalties. To reduce the exposure of these transactions to exchange rate movements, Sanofi contracts economic hedges using liquid financial instruments such as forward purchases and sales of currency.

##### Pension scheme

The company participates in the Sanofi-Aventis UK Pension Scheme, a defined benefit pension scheme with assets held in a separately administered fund. The scheme provides retirement benefits on the basis of members' final salary. The scheme has been closed to new entrants since April 2007 and from 1 October 2015 it was also closed to future accrual. The company is therefore subject to risks associated with defined benefit pension schemes such as mortality rate changes, changes in corporate bond rates and changes in equity markets. These are managed by the trustees of the scheme with assistance from their professional advisors.

#### COVID-19

As the COVID-19 pandemic rapidly spread across the globe earlier this year, Sanofi formed a global crisis team to tackle an unknown virus that had already spread around the world. The team's main focus was on ensuring the ongoing manufacture and supply of its vaccines, treatments for dozens of diseases and keeping employees safe with new sanitary measures. In parallel, Sanofi started figuring out how to deploy its resources to fight the coronavirus.

Early on, along with the worldwide healthcare community, Sanofi considered a range of options to attack COVID-19, initiating tests on existing treatments, while its vaccines unit, Sanofi Pasteur, began studying the new virus and forging strategic partnerships to pool science, expertise and resources. Today, with more information on the virus, it has become clear that the most effective way to a post-pandemic world are safe and effective vaccines.

Sanofi recently announced the continuation of its work in COVID-19 vaccine development with the start of a phase 1 and 2 clinical trial, in partnership with GSK. The trial will enrol 440 healthy adults in the US to evaluate the vaccine's safety, tolerability and immune response. The aim is to deliver the first results by December. Positive data would enable a prompt start of a pivotal phase 3 trial by the end of this year. A positive outcome from phase 3 trials could mean a request for regulatory approval in the first half of 2021.

The COVID-19 vaccine candidate is being tested using vital ingredients from both Sanofi and GSK. Sanofi is developing the antigen (the protein that stimulates the body's immune response against the virus), which is based on recombinant DNA technology. Sanofi is using an existing technology that was designed for influenza and is applying it to the new virus that causes COVID-19 disease. Having the existing platform and partnerships are key to finding the optimal vaccine that will have impact against disease while contributing to vast and urgent global demand.

---

**FISONS LIMITED**

---

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

---

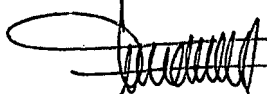
**Principal risks and uncertainties (continued)**

**COVID-19 (continued)**

GSK is contributing an adjuvant, an ingredient added to enhance the immune response, which reduces the amount of vaccine protein required per dose and improves the chances of delivering an effective vaccine that can be manufactured at scale.

Sanofi is also exploring a second COVID-19 vaccine candidate, in partnership with Translate Bio, a clinical-stage messenger RNA (mRNA) biotechnology company. The project is on track to start clinical trials by December.

This report was approved by the board and signed on its behalf.



**F X Duhalde**  
Director

Date: 11 December 2020

---

## FISONS LIMITED

---

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

---

The directors present their report and the financial statements of Fisons Limited ("the company") for the year ended 31 December 2019.

#### Directors

The directors who served during the year and up to the date of this report were:

F X Duhalde  
H Fry

Sanofi maintains liability insurance for the directors and officers of all group companies. Sanofi has also provided an indemnity for the directors, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

#### Results and dividends

The profit for the year, after taxation, amounted to £10,826,000 (2018 - £12,552,000).

The directors have not paid any dividend for the year and do not recommend the payment of a dividend in respect of the year (2018 - £Nil).

#### Post balance sheet events

##### COVID-19

On 11 March 2020, the World Health Organization raised the public health emergency caused by the coronavirus outbreak (COVID-19) to an international pandemic. The rapid evolution of the facts, at national and international level, represents an unprecedented health crisis, which will impact on the macroeconomic environment and the evolution of business.

While the potential impact of the coronavirus emergency is uncertain, the company considers that these events do not imply an adjustment in the annual accounts for the year ended 31 December 2019.

Given the complexity of the situation and its rapid evolution, it is not practicable at this time to reliably make a quantified estimate of its potential impact on the company, which, where appropriate, will be recorded prospectively in the annual accounts for the 2020 financial year.

The company is carrying out appropriate efforts to deal with the situation and according to the most current estimates and the position of treasury to date, this does not compromise the application of the principle of business continuity.

##### Defined benefit pension scheme

The High Court has published a further judgment on the 29 and 30 October 2020 in the case of Lloyds Banking Group Pensions Trustees Limited. This judgment focused on the treatment of historic transfers out which was explicitly left open in the first ruling on 26 October 2018, where GMP equalisation adjustment is now required. Similar to the first ruling, this second ruling could be seen as a new benefit for a group of former members which would suggest this being treated as a P&L cost. Company's actuary is currently in process of collating the relevant data to estimate the additional liability. The total liability arising from this second ruling to equalise historic transfers out are not known at this stage.

---

## **FISONS LIMITED**

---

### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019**

---

#### **Post balance sheet events (continued)**

##### *Corporate reorganisation*

The Sanofi Group is seeking to simplify its Corporate structure following sales and purchases of several businesses over the years in the UK.

With the anticipation of the above, the management has decided and agreed with the Pension Trustees to execute the Pension Restructuring Project involving entities with defined benefit pension plans to streamline the Legal Entity organisational structure.

On the 24 November 2020 and as part of the second step of the reorganisation, the immediate parent of the company changed from Sanofi-Aventis UK Holdings Limited ("SAUKH") to Aventis Pharma Limited ("APL") when SAUKH transferred its entire investment in the company of 400,000 ordinary shares to APL.

#### **Going concern statement**

The COVID-19 pandemic has not created significant operational and financial pressures on the company. Having considered the contingency plans in place, the support to businesses announced by the UK Government and having reviewed updated cashflow forecasts, the directors consider the adoption of the going concern basis in preparing these financial statements is appropriate.

Furthermore, the directors have also received confirmation from Sanofi, the ultimate parent company, of its intention to support the company for a period of at least 12 months from the date of signing the accounts and so, on that basis, the directors have a reasonable expectation that the company will have adequate financial resources to continue in operation for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

#### **Future developments**

The company continues to receive intercompany interest income on the loan provided to the parent company. The company will also continue to participate in the Sanofi-Aventis defined benefit pension scheme.

#### **Employee involvement**

The company seeks to encourage employee involvement in its business through a variety of approaches. At the core of these is a management by objectives process, in which all levels of employees participate in the formulation of company goals. This is achieved by the development of annual action plans applicable to each individual employee and the units in which they work. In addition, of course, there are more formal consultative procedures that exist with trade union and other specialist committees covering health, safety and environmental issues, pension arrangements, employee share schemes and recreation.

During the year employees were regularly provided with information regarding the financial and economic factors affecting the performance of the company and on other matters of concern to them as employees, through the medium of regular employee reports. Additionally regular consultations took place with employee representatives so that the views of employees could be taken into account when making decisions which are likely to affect their interests.



---

**FISONS LIMITED**

---

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

---

**Disabled employees**

It is the policy of the company that disabled people, whether registered disabled or not, should receive full and fair consideration for all job vacancies for which they are suitable applicants as well as training, career development and promotion opportunities. Employees who become disabled during their working life will be retained in employment whenever possible and will be helped with any necessary rehabilitation and retraining. The company is prepared to modify procedures or equipment when this is practicable so that the individual's ability can be developed to its full potential.

**Disclosure of information to auditor**

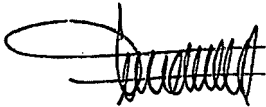
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**Auditor**

The auditor, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



**F X Duhalde**  
Director

Date: 11 December 2020

---

## **FISONS LIMITED**

---

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019**

---

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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 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 to 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FISONS LIMITED**

### **Opinion**

We have audited the financial statements of Fisons Limited ("the company") for the year ended 31 December 2019, which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and the related notes 1 to 28, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit 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.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of matter**

We draw attention to Notes 2.3 and 27 of the financial statements, which describes the economic and social disruptions the company is facing as a result of COVID-19 which is impacting its supply chains, consumer demand and personnel available for work and or being able to access offices. Our opinion is not modified in respect of this matter.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FISONS LIMITED (CONTINUED)**

### **Other information**

The other information comprises the information included in the Annual Report set out on pages 1-7, other than the financial statements and our Auditor's Report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FISONS LIMITED (CONTINUED)**

### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.

### **Use of our report**

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.

*Ernst & Young LLP*

Jane S Turnor (Senior Statutory Auditor)

for and on behalf of  
**Ernst & Young LLP**

Statutory Auditor

Reading

11 December 2020

**FISONS LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	Continuing operations 2019 £000	Discontinued operations 2019 £000	Total 2019 £000	Continuing operations 2018 £000	Discontinued operations 2018 £000	Total 2018 £000
Turnover	4	509	-	509	196	38,999	39,195
Net operating expenses	5	(630)	-	(630)	(881)	(29,995)	(30,876)
<b>Gross (loss)/profit</b>		<b>(121)</b>	<b>-</b>	<b>(121)</b>	<b>(685)</b>	<b>9,004</b>	<b>8,319</b>
Exceptional income	14	5,429	-	5,429	-	2,242	2,242
<b>Operating profit</b>	6	<b>5,308</b>	<b>-</b>	<b>5,308</b>	<b>(685)</b>	<b>11,246</b>	<b>10,561</b>
Income from fixed assets investments		319	-	319	322	-	322
Interest receivable and similar income	10	5,149	-	5,149	4,082	-	4,082
Interest payable and expenses	11	-	-	-	(55)	-	(55)
Other Finance Costs	12	(179)	-	(179)	(628)	-	(628)
<b>Profit before tax</b>		<b>10,597</b>	<b>-</b>	<b>10,597</b>	<b>3,036</b>	<b>11,246</b>	<b>14,282</b>
Tax charge for the year	13	229	-	229	(1,730)	-	(1,730)
<b>Profit for the financial year</b>		<b>10,826</b>	<b>-</b>	<b>10,826</b>	<b>1,306</b>	<b>11,246</b>	<b>12,552</b>
<b>Other comprehensive income:</b>							
Actuarial losses on pension scheme	24			(18,312)			-
Deferred tax attributable to actuarial loss on approved pension scheme				2,351			167
Current tax deductions allocated to actuarial losses				1,137			3,496
Deferred tax attributable to actuarial gain on other post employment benefits				(175)			-
				(14,999)			3,663
<b>Total comprehensive income for the year</b>				<b>(4,173)</b>			<b>16,215</b>

The notes on pages 16 to 44 form part of these financial statements.

**FISONS LIMITED**  
**REGISTERED NUMBER: 00044687**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2019**

	Note	2019 £000	2018 £000
<b>Fixed assets</b>			
Investments	15	4,105	4,105
		<u>4,105</u>	<u>4,105</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	16	7,227	4,874
Debtors: amounts falling due within one year	16	778,387	775,611
		<u>785,614</u>	<u>780,485</u>
Creditors: amounts falling due within one year	17	(128,264)	(135,237)
<b>Net current assets</b>		<u>657,350</u>	<u>645,248</u>
<b>Total assets less current liabilities</b>		<u>661,455</u>	<u>649,353</u>
<b>Provisions for liabilities</b>			
Other provisions	19	(6,963)	(10,165)
		<u>(6,963)</u>	<u>(10,165)</u>
<b>Net assets excluding pension liability</b>		<u>654,492</u>	<u>639,188</u>
Pension liability	24	(29,425)	(10,093)
<b>Net assets</b>		<u><u>625,067</u></u>	<u><u>629,095</u></u>

---

**FISONS LIMITED**  
**REGISTERED NUMBER: 00044687**

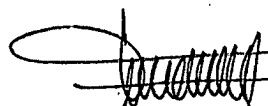
---

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2019**

---

	Note	2019 £000	2018 £000
<b>Capital and reserves</b>			
Called up share capital	20	100	100
Other reserves	21	1,214	1,069
Profit and loss account	21	623,753	627,926
<b>Total equity</b>		<b>625,067</b>	<b>629,095</b>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



**F X Duhalde**  
Director

Date: 11 December 2020

The notes on pages 16 to 44 form part of these financial statements.



**FISONS LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	<b>Share capital £000</b>	<b>Other reserves £000</b>	<b>Profit and loss account £000</b>	<b>Total equity £000</b>
At 1 January 2019	100	1,069	627,926	629,095
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	10,826	10,826
Actuarial losses on pension scheme	-	-	(18,312)	(18,312)
Current tax deductions allocated to actuarial losses on pension scheme	-	-	2,351	2,351
Deferred tax related to actuarial losses on pension scheme	-	-	1,137	1,137
Deferred tax attributable to actuarial gain related to other post employment benefits	-	-	(175)	(175)
<b>Total comprehensive expense for the year</b>	-	-	(14,999)	(14,999)
<b>Total comprehensive expense for the year</b>	-	-	(4,173)	(4,173)
Movement on share option reserve	-	145	-	145
<b>At 31 December 2019</b>	<b>100</b>	<b>1,214</b>	<b>623,753</b>	<b>625,067</b>

The notes on pages 16 to 44 form part of these financial statements.

**FISONS LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Share capital £000	Other reserves £000	Profit and loss account £000	Total equity £000
At 1 January 2018	100	896	631,556	632,552
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	12,552	12,552
Actuarial losses on pension scheme	-	-	(19,845)	(19,845)
Deferred tax related to actuarial losses on pension scheme	-	-	167	167
Current tax deductions allocated to actuarial losses on pension scheme	-	-	3,496	3,496
<b>Other comprehensive expense for the year</b>	-	-	(16,182)	(16,182)
<b>Total comprehensive income for the year</b>	-	-	(3,630)	(3,630)
Movement on share option reserve	-	173	-	173
<b>At 31 December 2018</b>	<b>100</b>	<b>1,069</b>	<b>627,926</b>	<b>629,095</b>

The notes on pages 16 to 44 form part of these financial statements.

---

## **FISONS LIMITED**

---

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

---

#### **1. Authorisation of financial statements and statement of compliance with FRS 101**

The financial statements of Fisons Limited ("the company") for the year ended 31 December 2019 were authorised for issue by the board of directors on 11 December 2020, and the balance sheet was signed on the board's behalf by F X Duhalde. The company is a private company limited by shares and is incorporated and domiciled in England. The address of the registered office is 410 Thames Valley Park Drive, Reading, Berkshire, RG6 1PT.

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101").

The company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

The company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Listed Sanofi.

The results of the company are included in the consolidated financial statements of Sanofi (20F) which are available from on the corporate website.

The principal accounting policies adopted by the Company are set out in note 2.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared on a going concern basis, under the historical cost convention, unless otherwise specified within these accounting policies, and in accordance with FRS 101 and the Companies Act 2006.

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

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2019.

---

## FISONS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

---

#### 2. Accounting policies (continued)

##### 2.2 Financial reporting standard 101 - reduced disclosure exemptions

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

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based payment
- the requirements of paragraph 33(c) of IFRS 5 Non Current Assets Held For Sale and Discontinued Operations
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- 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 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
- 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 and 18A 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 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

##### 2.3 Going concern

The COVID-19 pandemic has not created significant operational and financial pressures on the company. Having considered the contingency plans in place, the support to businesses announced by the UK Government and having reviewed updated cashflow forecasts, the directors consider the adoption of the going concern basis in preparing these financial statements is appropriate.

Furthermore, the directors have also received confirmation from Sanofi, the ultimate parent company, of its intention to support the company for a period of at least 12 months from the date of signing the accounts and so, on that basis, the directors have a reasonable expectation that the company will have adequate financial resources to continue in operation for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

##### 2.4 Revenue

Revenues arising from royalty income from license arrangements are presented within Turnover.

---

## **FISONS LIMITED**

---

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

---

#### **2. Accounting policies (continued)**

##### **2.5 Interest income**

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

##### **2.6 Investments**

Investments in subsidiaries, associates and joint ventures are measured at cost less accumulated impairment, if any. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

##### **2.7 Debtors**

Short term debtors are measured at invoiced value, less any provision for impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### **2.8 Financial instruments**

The company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The company's accounting policies in respect of financial instruments transactions are explained below:

###### **Financial assets**

The company classifies all of its financial assets as loans and receivables.

###### **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Statement of Comprehensive Income. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

###### **Financial liabilities**

The company classifies all of its financial liabilities as liabilities at amortised cost.

---

## **FISONS LIMITED**

---

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

---

#### **2. Accounting policies (continued)**

##### **2.8 Financial instruments (continued)**

###### **At amortised cost**

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Balance Sheet.

##### **2.9 Creditors**

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

##### **2.10 Finance costs**

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### **2.11 Share based payments**

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance Sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to Statement of Comprehensive Income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Statement of Comprehensive Income is charged with fair value of goods and services received.

---

## FISONS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

---

#### 2. Accounting policies (continued)

##### 2.12 Pensions

The company offers retirement benefits to employees and retirees, which are accounted for in accordance with IAS 19.

Benefits are provided in the form of either defined contribution plans or defined benefit plans. In the case of defined contribution plans, the cost is recognised immediately in the period in which it is incurred, and equates to the amount of the contributions paid by the company. Once the contributions have been paid, the company has no further payment obligation.

For defined benefit plans, the company recognises its obligations to pay pensions and similar benefits to employees as a liability, based on an actuarial estimate of the rights vested or currently vesting in employees and retirees, using the projected unit credit method. Estimates are performed at least once a year, and rely on financial assumptions (such as discount rates) and demographic assumptions (such as life expectancy, retirement age, employee turnover, and the rate of salary increases). Obligations relating to other post-employment benefits (healthcare and life insurance) offered by the company to employees are also recognised as a liability based on an actuarial estimate of the rights vested or currently vesting in employees and retirees at the end of the reporting period. These liabilities are recognised net of the fair value of plan assets.

The benefit cost for the period consists primarily of current service cost, past service cost, net interest cost, gains or losses arising from plan settlements not specified in the terms of the plan, and actuarial gains or losses arising from plan curtailments. Net interest cost for the period is determined by applying the discount rate specified in IAS 19 to the net liability (i.e. the amount of the obligation, net of plan assets) recognised in respect of defined benefit plans. Past service cost is recognised immediately in profit or loss in the period in which it is incurred, regardless of whether or not the rights have vested at the time of adoption (in the case of a new plan) or of amendment (in the case of an existing plan).

Actuarial gains and losses on defined benefit plans (pensions and other post-employment benefits), also referred to as "Remeasurements of the net defined benefit liability (asset)", arise as a result of changes in financial and demographic assumptions, experience adjustments, and the difference between the actual return and interest cost on plan assets. The impacts of these remeasurements are recognised in Other comprehensive income, net of deferred taxes; they are not subsequently reclassifiable to profit or loss.

##### 2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation, that is probable that an outflow above will be required to settle by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and loss account in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

---

## **FISONS LIMITED**

---

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

---

#### **2. Accounting policies (continued)**

##### **2.14 Current and deferred taxation**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences,
- carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legally enforcement right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

##### **2.15 Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.



---

## FISONS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

---

#### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

##### Pension and other post employment benefits

The cost of defined benefit pensions plans and other post employment medical benefit are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such as estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with AA 15+ rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population of bonds on which the discount rate is based, on the basis that they do not represent high quality bonds. The mortality rate is based on publicly available mortality tables for the specific country.

#### 4. Turnover

An analysis of turnover by class of business is as follows:

	2019 £000	2018 £000
Sales	-	22,542
Commissions & royalties receivable	509	195
Toll manufacture	-	16,458
	<u>509</u>	<u>39,195</u>

Analysis of turnover by country of destination:

	2019 £000	2018 £000
United Kingdom	-	653
Rest of Europe	3	38,353
Rest of the world	506	189
	<u>509</u>	<u>39,195</u>

---

**FISONS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

---

**5. Net operating expenses**

	<b>2019 £000</b>	<b>2018 £000</b>
Change in stocks of finished goods and work in progress	-	(1,143)
Raw materials and consumables	-	7,518
Staff costs (see note 8)	639	17,952
Depreciation	-	1,603
Other charges	(9)	4,946
	<u>630</u>	<u>30,876</u>

**6. Operating profit**

The operating profit is stated after charging:

	<b>2019 £000</b>	<b>2018 £000</b>
Depreciation of tangible fixed assets	-	1,603
Defined contribution pension cost	-	2,251
Defined benefit pension cost	494	656
	<u>494</u>	<u>656</u>

During the year, no director received any emoluments (2018 - £Nil).

**7. Auditors' remuneration**

Auditors' remuneration of £15,000 (2018 - £58,000) was borne by another group undertaking in the current year.

## FISONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

#### 8. Employees

Staff costs were as follows:

	2019 £000	2018 £000
Wages and salaries	145	13,496
Social security costs	-	1,549
Cost of defined benefit scheme	494	656
Cost of defined contribution scheme	-	2,251
	<u>639</u>	<u>17,952</u>

The charge for share options for the year is included in wages and salaries above, amounting to £145,000 (2018 - £173,000).

The company has no employees other than the directors, who did not receive any remuneration (2018 - £Nil).

Directors' emoluments are paid by Aventis Pharma Limited. Directors' services to the company and to a number of fellow subsidiaries are of a non-executive nature and their emoluments are deemed to be wholly attributable to their services to Aventis Pharma Limited.

#### 9. Income from investments

	2019 £000	2018 £000
Dividends received from unlisted investments	<u>319</u>	<u>322</u>

#### 10. Interest receivable

	2019 £000	2018 £000
Interest receivable from group companies	<u>5,149</u>	<u>4,082</u>

#### 11. Interest payable and similar expenses

	2019 £000	2018 £000
Other interest payable	<u>-</u>	<u>55</u>

---

**FISONS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

---

**12. Other finance costs**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Net interest on net defined benefit liability	<b>69</b>	<b>548</b>
Other finance costs	<b>110</b>	<b>80</b>
	<u><b>179</b></u>	<u><b>628</b></u>

**13. Taxation**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
<b>Corporation tax</b>		
Current tax on profits for the year	<b>(2,726)</b>	<b>7,553</b>
Adjustments in respect of previous periods	<b>2,553</b>	<b>62</b>
<b>Current income tax charge</b>	<u><b>(173)</b></u>	<u><b>7,615</b></u>
 Group taxation relief	 <b>68</b>	 <b>(6,006)</b>
	<u><b>(105)</b></u>	<u><b>1,609</b></u>
 <b>Foreign tax</b>		
Foreign tax on income for the year	<b>32</b>	<b>65</b>
<b>Total current tax</b>	<u><b>(73)</b></u>	<u><b>1,674</b></u>
 <b>Deferred tax</b>		
Origination and reversal of temporary differences	<b>(52)</b>	<b>80</b>
Adjustments in respect of previous periods	<b>(104)</b>	<b>(24)</b>
<b>Total deferred tax</b>	<u><b>(156)</b></u>	<u><b>56</b></u>
 <b>Taxation on (loss)/profit on ordinary activities</b>	<u><b>(229)</b></u>	<u><b>1,730</b></u>

The current tax charge for the year has been increased by £68,000 (2018 - reduced by £6,006,000) because of group relief claimed from (2018 - surrendered to) a fellow subsidiary for which a payment of £68,000 (2018 - receipt of £6,006,000) will be left outstanding on an inter-company account.

## FISONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

#### 13. Taxation (continued)

##### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - *lower than*) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £000	2018 £000
Profit on ordinary activities before tax	10,597	14,362
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	2,013	2,714
<b>Effects of:</b>		
Fixed asset differences	-	(4,478)
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(797)	-
Non-taxable income less expenses not deductible for tax purposes, other than goodwill and impairment	-	(435)
Foreign tax credits	32	65
Adjustments to tax charge in respect of prior periods	2,449	38
Amounts relating to other comprehensive income	(452)	(3,612)
Other differences leading to an increase in taxation	(3,863)	3,863
Group relief (claimed)/surrendered	(68)	6,006
Payment/(receipt) for group relief	68	(6,006)
Exempt dividend income	(61)	(61)
Current tax relating to other comprehensive income	-	3,496
Changes in provisions leading to an increase/(decrease) in the tax charge	186	(38)
Deferred tax (charged)/credited directly to equity	-	167
Change in tax law and rates	264	11
<b>Total tax charge for the year</b>	<b>(229)</b>	<b>1,730</b>

##### Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantially enacted on 6 September 2016. A rate of 17% has therefore been applied to the deferred tax asset/liability at the balance sheet date.

On 20 March 2020, a special provision was substantively enacted which removed the 17% corporate tax rate and reinstated the 19% corporation tax rate.

**FISONS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**13. Taxation (continued)**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
<b>Tax relating to items charged or credited to other comprehensive income</b>		
<b>Current tax</b>		
Tax on defined benefit pension plans	(1,137)	(3,496)
<b>Total current income tax</b>	<u>(1,137)</u>	<u>(3,496)</u>
<b>Deferred tax</b>		
Actuarial losses on defined benefit pension plan	(2,351)	(167)
Actuarial gains on other post employment benefits	175	-
<b>Total deferred tax</b>	<u>(2,176)</u>	<u>(167)</u>
<b>Tax credit in the statement of other comprehensive income</b>	<u>(3,313)</u>	<u>(3,663)</u>

The deferred tax included in the company balance sheet is as follows:

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
<b>Deferred tax asset</b>		
Short term temporary differences - less than 1 year	57	78
Defined benefit pension schemes	6,681	4,234
Other post employment benefits	469	640
Accelerated capital allowances	77	-
	<u>7,284</u>	<u>4,952</u>
	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
<b>Disclosed in the balance sheet</b>		
Debtors due after more than one year	7,227	4,874
Debtors due within one year	57	78
	<u>7,284</u>	<u>4,952</u>

---

**FISONS LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

---

**13. Taxation (continued)**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
<b>Deferred tax in the income statement</b>		
Accelerated capital allowances	<b>(78)</b>	<b>(309)</b>
Share-based payment	<b>22</b>	<b>(26)</b>
Pension plans and other post-employment medical benefits	<b>(100)</b>	<b>391</b>
Change in tax laws and rates	<b>-</b>	<b>-</b>
<b>Deferred tax (credit)/expense</b>	<b>(156)</b>	<b>56</b>

**14. Exceptional items**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Exceptional items	<b>5,429</b>	<b>2,242</b>

Exceptional items comprise a £2,000,000 receipt from Recipharm, a Contract Development and Manufacturing Organisation (CDMO) that acquired the assets of Fisons Limited on the 1st October 2018, that was receivable under the terms of the Asset Purchase Agreement (APA). Further adjustments of £3,429,000 were booked in relation to the restructuring provision for the divestiture.

**FISONS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**15. Fixed asset investments**

	Shares in group undertakings £000	Investments in participating interests £000	Total £000
<b>Cost or valuation</b>			
At 1 January 2019	1	11,646	11,647
At 31 December 2019	1	11,646	11,647
<b>Impairment</b>			
At 1 January 2019	1	7,541	7,542
At 31 December 2019	1	7,541	7,542
<b>Net book value</b>			
At 31 December 2019	-	4,105	4,105
At 31 December 2018	-	4,105	4,105

**Participating interests**

**Associates**

Name	Registered office	Class of shares	Holding	Principal activity
Sanofi-Aventis Bangladesh Limited	6/2/A Segun Bagicha, Dhaka 1000, Bangladesh	Ordinary	24.66%	Manufacturing and marketing of pharmaceutical products

The directors have reviewed the fair market value of the investment in Sanofi-Aventis Bangladesh Limited and believe the recoverable value is in excess of the carrying value of the investment at the year end.

In 2019 the company received a dividend of £319,000 (2018 - £322,000) from its investment in Sanofi-Aventis Bangladesh Limited.

**15. Fixed asset investments (continued)**

The aggregate of the share capital and reserves as at 31 December 2019 and of the profit or loss for the year ended on that date was as follows:



**FISONS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**16. Debtors**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
<b>Due after more than one year</b>		
Deferred tax asset	<b>7,227</b>	<b>4,874</b>
	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
<b>Due within one year</b>		
Trade debtors	<b>2,289</b>	<b>16</b>
Amounts owed by group undertakings	<b>773,546</b>	<b>762,257</b>
Other debtors	<b>2,495</b>	<b>11,584</b>
Prepayments and accrued income	<b>-</b>	<b>1,649</b>
Deferred taxation	<b>57</b>	<b>78</b>
Financial instruments	<b>-</b>	<b>27</b>
	<b>778,387</b>	<b>775,611</b>

The amounts owed by group undertakings are unsecured, and repayable on demand. Amounts relating to trading balances owed by non-UK and balances owed by dormant companies are interest free; all other balances carry interest at LIBOR minus 5 basis points.

**17. Creditors: Amounts falling due within one year**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	<b>-</b>	<b>107</b>
Amounts owed to group undertakings	<b>125,356</b>	<b>126,385</b>
Corporation tax	<b>1,710</b>	<b>5,767</b>
Other creditors	<b>397</b>	<b>998</b>
Accruals and deferred income	<b>801</b>	<b>1,980</b>
	<b>128,264</b>	<b>135,237</b>

The amounts owed to group undertakings are unsecured and repayable on demand, amounts relating to trading balances owed to non-UK companies and balances owed to dormant companies are interest free; all other balances carry interest at LIBOR plus 15 basis points.

---

**FISONS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

---

**18. Financial instruments**

	<b>2019 £000</b>	<b>2018 £000</b>
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	<b>778,330</b>	<b>773,884</b>
	<b>778,330</b>	<b>773,884</b>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<b>(126,554)</b>	<b>(129,469)</b>

Financial assets measured at amortised cost comprise trade debtors, amounts owed by group undertakings other debtors and financial instruments.

Financial Liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, other creditors and accruals.

## FISONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

#### 19. Provisions

	Post employment benefits £000	Other £000	Total £000
At 1 January 2019	3,765	6,400	10,165
Charged to profit or loss	110	(2,195)	(2,085)
Credited to reserves	(1,032)	-	(1,032)
Utilised in year	(85)	-	(85)
<b>At 31 December 2019</b>	<b>2,758</b>	<b>4,205</b>	<b>6,963</b>

#### Post employment benefits

In addition to the Sanofi-aventis pension scheme (see note 24), the company participates in two other closed post employment benefit schemes:

The company self insures against the risk of a small number of retired employees suffering an illness which would require the company to bear the medical costs. The provision in the financial statements as at 31 December 2019 represents the actuarial expectation that the company's retired employees will suffer an illness during the remainder of their lives. The balance at 31 December 2019 was £1,226,000 (2018 - £2,262,000).

The remaining balance of £1,532,000 as at 31 December 2019 (2018 - £1,503,000) covers an amount of liability to pay the promised amount of pensions in excess of the earnings limit over the expected remaining lifetimes of 3 former senior executives of the company.

Of the £1,007,000 decrease in provision for the year (2018 - £413,000), £1,032,000 has been credited to reserves in respect of actuarial gains (2018 - £461,000 debit). The assumptions used are the same as those for the Sanofi-Aventis UK pension scheme valuation as disclosed in note 24.

#### Other

Within other provisions is an environmental provision that was created in June 2005 to cover the present value of the current and future costs of cleaning up land and demolition of buildings at the company's Holmes Chapel site. There is also a Jubilee Scheme provision that was created to reward employees for long service. In addition, the company made a restructuring provision related to the asset sale to Recipharm.

---

**FISONS LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

---

**20. Share capital**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
<b>Allotted, called up and fully paid</b>		
400,000 (2018 - 400,000) ordinary shares of 0.25 each	<b>100</b>	<b>100</b>

**21. Reserves****Profit & loss account**

The profit and loss account represents accumulated comprehensive income for the year and prior periods less dividends.

**Share option reserve**

The share option reserve represents the accumulated charge incurred by the company in connection with share-based remuneration schemes.

**22. Ultimate parent undertaking and controlling party**

The immediate parent undertaking at the Balance Sheet date is Sanofi-Aventis UK Holdings Limited. The ultimate parent undertaking and controlling party is Sanofi, a company incorporated in France. Sanofi is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 31 December 2017. The consolidated financial statements of Sanofi, are available from: Sanofi, 54, Rue La Boetie, 75008 Paris, France.

**23. Capital commitments**

At 31 December 2019 the company had £Nil capital commitments (2018 - £Nil).

---

## FISONS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

---

#### 24. Pension commitments

The company operates a Defined Benefit and a Defined Contribution Pension Scheme.

##### **Defined Benefit Pension Scheme**

The company participates in the Sanofi-Aventis Pension Scheme, a defined benefit pension scheme that has been closed to new entrants since April 2007, and with effect from 1 October closed to future accrual. As a result, employees can no longer pay into the scheme.

Under this defined benefit plan, an annuity is paid from the retirement date. This annuity is calculated on the basis of the employee's length of service as of September 30, 2015, and of the employee's final salary (or salary on the date the employee leaves the company).

Following a High Court ruling on 26 October 2018 that stated defined benefit pension schemes should equalise pension benefits for the effects of unequal Guaranteed Minimum Pension, where a scheme has contracted-out on a salary-related basis between 1990 and 1997. There were several methods to calculate the impact of the arrears that needed to be paid, and on a simplified basis, the initial estimate increased the pension obligations by £6,588,000 for the company, which was recognised as a prior service cost in the prior years Income Statement.

There has been a second ruling from High Court on the 29 and 30 of October 2020. Please see note 27 for further details.

The rates used for the vesting of rights vary from member to member. For most members, rights vest at the rate of 1.25% or 1.50% of final salary for each qualifying year of service giving entitlement. The notional retirement age varies according to the category to which the member belongs, but in most cases retirement is at age 65. Members may choose to retire before or after the notional retirement age (60 years), in which case the amount of the annual pension is adjusted to reflect the revised estimate of the length of the retirement phase. Pensions are usually indexed to the Retail Price Index (RPI). Members paid a fixed-percentage contribution into their pension plan (the percentage varied according to the employee category), and the employer topped up the contribution to the required amount.

Until closure of the plan, members paid a fixed-percentage contribution into their pension plan (the percentage varied according to the employee category), and the employer topped up the contribution to cover the cost of benefit accrual which was revised regularly (at least every three years) as part of statutory funding valuation.

For future service periods subsequent to October 1, 2015, employees will belong to a new defined contribution plan.

---

**FISONS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

---

**24. Pension commitments (continued)**

Reconciliation of present value of plan liabilities:

	2019 £000	2018 £000
<b>Reconciliation of present value of plan liabilities</b>		
At the beginning of the year	766,688	798,453
Current service cost	-	52
Interest cost on Benefit Obligation	19,992	20,240
Routine plan settlements	(6,813)	(5,933)
Benefits paid	(29,826)	(29,608)
Actuarial (gain)/loss due to change in demographic assumptions	(15,409)	37,503
Actuarial loss/(gain) due to change in financial assumptions	95,562	(55,185)
Actuarial (gain)/loss due to experience	(28,078)	4,687
Prior service cost	-	6,588
Plan curtailments	-	(10,109)
<b>At the end of the year</b>	<b>802,116</b>	<b>766,688</b>

Reconciliation of present value of plan assets:

	2019 £000	2018 £000
At the beginning of the year	756,595	772,226
Administrative costs	(494)	(635)
Interest income on plan assets	19,923	19,692
Employees contributions	-	16
Employer contributions	1,048	33,216
Benefits paid	(29,826)	(29,608)
Settlement	(6,813)	(5,933)
Actual return over the expected interest income	32,258	(32,379)
<b>At the end of the year</b>	<b>772,691</b>	<b>756,595</b>

**FISONS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**24. Pension commitments (continued)**

**Amounts recognised in OCI**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Annual actuarial losses/(gains):		
(Gain)/loss on DBO due to change in demographic assumptions	<b>(15,409)</b>	37,503
Loss/(gain) on DBO due to change in financial assumptions	<b>95,562</b>	(55,185)
(Gain)/loss on DBO due to Experience	<b>(28,078)</b>	4,687
(Gain)/loss on Assets: comparison between real return and expected Income interest	<b>(32,258)</b>	32,379
<b>Annual actuarial losses/(gains)</b>	<b>19,817</b>	<b>19,384</b>

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Fair value of plan assets	<b>772,691</b>	756,595
Present value of plan liabilities	<b>(802,116)</b>	(766,688)
<b>Net pension scheme liability</b>	<b>(29,425)</b>	<b>(10,093)</b>

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Current service cost	-	52
Administration costs	<b>494</b>	635
Employees contribution	-	(16)
Interest cost on Obligation	<b>19,992</b>	20,240
Interest Income on Plan assets	<b>(19,923)</b>	(19,692)
Gains on curtailments and settlements	<b>19,817</b>	(10,109)
Prior service cost	-	6,588
<b>Total</b>	<b>20,380</b>	<b>(2,302)</b>

## FISONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

#### 24. Pension commitments (continued)

The table below shows the fair value of plan assets relating to the company's pension scheme, split by asset category.

	2019 £000	2018 £000
Cash and cash equivalent	13,648	26,809
Equity instruments	161,317	133,592
Debt instruments	561,878	557,537
Real estate	35,712	38,523
Other	136	134
<b>Total value of plan assets</b>	<b>772,691</b>	<b>756,595</b>

The scheme has a long-term objective of maintaining or increasing the extent to which its obligations are covered by assets. To this end, the scheme uses an asset-liability management strategy, matching plan assets to its pension obligations. This policy aims to ensure the best fit between the assets held on the one hand, and the associated liabilities and expected future payments to plan members on the other. To meet this aim, the scheme operates a risk monitoring and management strategy (mainly focused on interest rate risk and inflation risk), while investing a growing proportion of assets in high-quality bonds with comparable maturities to those of the underlying obligations.

The scheme did not alter its asset-liability management strategy or its key risk monitoring policy during 2019.

The company agreed with the Pension Trustees to pay two years of deficit contributions in advance in December 2018. As a result, the company will not make any further deficit funding contributions until 2021.

The table below shows the sensitivity of the company's obligations for pensions to changes in the key actuarial assumptions:

	2019 £000	2018 £000
Sensitivity to discount rate -0.5 point	875,917	832,182
Sensitivity to discount rate +0.5 point	738,483	707,892
Sensitivity to rate of compensation increase +0.5 point	804,569	768,867
Sensitivity to inflation rate +0.5 point	847,871	801,091
Sensitivity to medical rate of inflation +0.5 point	802,116	766,688
Sensitivity to rate of indexation of pension in payment +0.5 point	839,035	802,639
Sensitivity to rate of indexation of deferred pension +0.5 point	814,812	777,839
Sensitivity to mortality table	833,866	794,349



---

## FISONS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

---

#### 24. Pension commitments (continued)

Actuarial valuations of the company's benefit obligations were computed by management with assistance from external actuaries as of December 31, 2019, 2018, 2017, 2016, 2015, 2014 and 2013.

	2019	2018
<b>Actuarial assumptions used to measure obligation</b>		
Discount rate at 31 March	2.00%	2.90%
Rate of competition increase	4.10%	4.35%
Inflation rate	2.85%	3.10%
Indexation rate pension in payment	2.80%	3.00%
Indexation rate deferred pension	1.85%	2.00%
Weight average duration (in years)	17	17

The discount rates used are based on market rates for high quality corporate bonds with a duration close to the expected benefit payments under the plans, 7 to 10 years and more than 10 years, respectively.

The benchmarks used to determine these discount rates were the same in 2019, 2018, 2017, 2016, 2015, 2014 and 2013.

#### Defined Contribution Pension Scheme

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £Nil (2018 - £2,251,000). Contributions totalling £Nil (2018 - £Nil) were payable to the fund at the Balance Sheet date.

---

**FISONS LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

---

**25. Share based payments****Share option plans**

The company partials in a number of stock purchase option plans operated by Sanofi, the ultimate parent company. These plans allow grantees to purchase a fixed number of share at a pre-determined price over a specific period. Options generally vest two to five years from the date of grant and expire seven to twenty years from the date of grant. Awards under the plans are generally reserved for employees at senior management level and above. Exercise of an option is subject to continued employment. Options are value using the Black-Scholes option pricing model. No performance conditions were included in the fair value calculations. The fair value per option granted and the assumptions used in the calculation are as follows:

	Sanofi	Sanofi
Grant date	01/03/2010	02/03/2009
Share price at grant date	54.82	41.10
Exercise price in Euro	54.12	45.09
Number of employees	2	0
Shares under option	550	0
Vesting period (years)	4	4
Expected volatility	27.08%	27.06%
Option life (years)	10	10
Expected life (years)	6	6
Risk free rate	2.56%	2.84%
Expected dividends expressed as a dividend yield	4.66%	5.72%
Fair value per option in Euro	9.09	4.95

---

**FISONS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

---

**25. Share based payments (continued)**

The expected volatility is based on the historical volatility over the last two to five years. The expected life is the average expected period to exercise. The risk free rate of return is the yield on zero-coupon Euro bonds of a term consistent with the assumed option life. A reconciliation of options movements over the year to 31 December 2019 is shown below:

	<b>2019</b>		<b>2018</b>	
		<b>Weighted average exercise price</b>		<b>Weighted average exercise price</b>
	<b>Number</b>	<b>(Euro)</b>	<b>Number</b>	<b>(Euro)</b>
Outstanding at 1 January	<b>1,695</b>	<b>49.64</b>	<b>3,185</b>	<b>55.90</b>
Transfer	-	-	-	-
Granted	-	-	-	-
Forfeited	<b>(280)</b>	<b>45.09</b>	-	-
Exercised	<b>(865)</b>	<b>48.38</b>	<b>(1,490)</b>	<b>59.18</b>
Outstanding at 31 December	<b>550</b>	<b>54.12</b>	<b>1,695</b>	<b>49.64</b>
Exercisable at 31 December	<b>550</b>	<b>54.12</b>	<b>1,695</b>	<b>49.64</b>

The weighted average fair value of options granted in the year was £Nil (2018 - £Nil)

**FISONS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**25. Share based payments (continued)**

Range of Exercise Prices (Euro)	Number of shares	2019			Number of shares	2018		
		Weighted average exercise price (Euro)	Weighted average remaining life Expected	Contractual		Weighted average exercise price (Euro)	Weighted average remaining life Expected	Contractual
From 40 to 50	-	-	-	-	830	45.09	0.11	0.17
From 50 to 60	550	54.12	0.10	0.16	865	54.12	0.75	1.16
From 60 to 70	-	-	-	-	-	-	-	-
From 70 to 80	-	-	-	-	-	-	-	-

The weighted average share price during the period for options exercised over the year was Euro 71.89 (2018 - Euro 77.73).

Share options granted subsequent to 5 April 1999 under unapproved schemes are subject to employers' and employees' national insurance on the gain made on exercise of such option by UK employees. The company accrues for the expected employers' national insurance to the Balance Sheet date based on the year end share price of Euro 89.62 and the elapsed portion of the relevant vesting periods.

**Restricted share plans**

Origin	Date of award	Number of shares initially awarded	Acquisition date	Availability date	Number transferred (to)/from associated employer	Number transferred as of 31 December 2019	Number of rights cancelled as of 31 December 2019	Number outstanding
Sanofi-aventis	02/03/2009	2,195	04/03/2013	04/03/2013	-	(2,195)	-	-
Sanofi-aventis	01/03/2010	1,804	02/03/2014	03/03/2014	-	(1,804)	-	-
Sanofi-aventis	27/10/2010	5,220	27/10/2014	28/10/2014	220	(4,980)	(460)	-
Sanofi-aventis	09/03/2011	2,450	10/03/2015	10/03/2015	-	(2,450)	-	-
Sanofi	05/03/2012	3,300	05/03/2016	05/03/2016	-	(3,046)	(254)	-
Sanofi	05/03/2013	3,500	05/03/2017	05/03/2017	-	(3,208)	(292)	-
Sanofi	05/03/2014	3,250	05/03/2018	05/03/2018	-	(3,250)	-	-
Sanofi	24/06/2015	2,200	25/06/2019	25/06/2019	-	(2,200)	-	-
Sanofi	04/05/2016	2,400	04/05/2019	04/05/2019	-	(2,400)	-	-
Sanofi	10/05/2017	2,300	10/05/2020	10/05/2020	-	-	-	2,300
Sanofi	02/05/2018	3,876	03/05/2021	03/05/2021	-	-	-	3,876

---

## FISONS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

---

#### 25. Share based payments (continued)

In 2011, the Sanofi Board of Directors made significant changes to its share-based compensation policy to limit the dilutive effect on shareholders, the Sanofi Board of Directors determined to primarily award performance shares. Furthermore, whoever the beneficiary is, any award of performance shares will henceforth be fully subject to the condition of the performance targets being achieved over three financial years.

The performance criterion based upon Business Net Income covers 50% of the award. It relates to the ratio, at constant exchange rate, between actual Business Net Income achieved and the Business Net Income specified in the budget. If this ratio is less than 95%, the corresponding performance shares will lapse. The Business Net Income target may not be lower than the lower range of the guidance published by Sanofi at the beginning of each year.

The ROA-based criterion covers 50% of the award. The schedule includes a target ROA, below which the performance will be penalised by the lapsing of part or all of the performance shares.

The performance will be measured over three financial years.

While for reasons of confidentiality, even though they have been properly established in a precise manner, the figures for the internal criteria cannot be publicly disclosed, the targets and the level of achievement of the internal criteria will be disclosed publicly at the end of the performance measurement period.

The meeting of the Sanofi Board of Directors on 30 April 2019 decided to award a restricted performance share plan to a number of employees within the group. A total of nil shares were awarded to nil employees of the company.

The company has estimated the fair value of this plan on the basis of the fair value of the equity instruments awarded, as representing the fair value of the employee services received during this period.

Fair value was measured at the date of grant. The fair value of each share awarded corresponds to the quoted market price per share as of that date Euro 67.90, adjusted for expected dividends during the vesting period.

The fair value of the restricted share plan was measured at £Nil. This amount is being recognised as an expense over the vesting period, with a corresponding increase in equity. The total expense recognised for this plan during the year ended 31 December 2019 was £Nil.

As of 31 December 2019, the total number of restricted shares outstanding was 6,176.

The total charge for the year relating to employee share based payment plans was £145,000 (2018 - £172,000). After deferred tax, the total charge was £120,000 (2018 - £143,000).

---

**FISONS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

---

**26. Discontinued operations**

In the prior year on 1st of October 2018, Recipharm, a Contract Development and Manufacturing Organisation (CDMO), acquired the assets of Fisons Limited for a consideration of £49,080,000. The profit on disposal in the books of Fisons was £2,242,000. The company ceased trading at that date, but continues to be active.

	£000
Cash proceeds	46,621
	<hr/>
	46,621
<b>Net assets disposed of:</b>	
Tangible fixed assets	(28,618)
Stocks	(11,733)
Debtors	(1,996)
Creditors and provisions	(2,032)
	<hr/>
	44,379
<b>Profit on disposal before tax</b>	<hr/>
	2,242
	<hr/>

The net inflow of cash in respect of the sale of the assets of the company is as follows:

	£000
Cash consideration	49,080
Less: costs to sell	(2,459)
	<hr/>
<b>Net inflow of cash</b>	46,621
	<hr/>

---

## FISONS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

---

#### 27. Post balance sheet events

##### *COVID-19*

On 11 March 2020, the World Health Organization raised the public health emergency caused by the coronavirus outbreak (COVID-19) to an international pandemic. The rapid evolution of the facts, at national and international level, represents an unprecedented health crisis, which will impact on the macroeconomic environment and the evolution of business.

While the potential impact of the coronavirus emergency is uncertain, the company considers that these events do not imply an adjustment in the annual accounts for the year ended 31 December 2019.

Given the complexity of the situation and its rapid evolution, it is not practicable at this time to reliably make a quantified estimate of its potential impact on the company, which, where appropriate, will be recorded prospectively in the annual accounts for the 2020 financial year.

The company is carrying out appropriate efforts to deal with the situation and according to the most current estimates and the position of treasury to date, this does not compromise the application of the principle of business continuity.

##### *Defined benefit pension scheme*

The High Court has published a further judgment on the 29 and 30 October 2020 in the case of Lloyds Banking Group Pensions Trustees Limited. This judgment focused on the treatment of historic transfers out which was explicitly left open in the first ruling on 26 October 2018, where GMP equalisation adjustment is now required. Similar to the first ruling, this second ruling could be seen as a new benefit for a group of former members which would suggest this being treated as a P&L cost. Company's actuary is currently in process of collating the relevant data to estimate the additional liability. The total liability arising from this second ruling to equalise historic transfers out are not known at this stage.

##### *Corporate reorganisation*

The Sanofi Group is seeking to simplify its Corporate structure following sales and purchases of several businesses over the years in the UK.

With the anticipation of the above, the management has decided and agreed with the Pension Trustees to execute the Pension Restructuring Project involving entities with defined benefit pension plans to streamline the Legal Entity organisational structure.

On the 24 November 2020 and as part of the second step of the reorganisation, the immediate parent of the company changed from Sanofi-Aventis UK Holdings Limited ("SAUKH") to Aventis Pharma Limited ("APL") when SAUKH transferred its entire investment in the company of 400,000 ordinary shares to APL.

#### 28. Controlling party

The immediate parent undertaking was Sanofi-Aventis UK Holdings Limited. From 24 November 2020 the immediate parent undertaking is Aventis Pharma Limited. The ultimate parent undertaking and controlling party is Sanofi, a company incorporated in France. Sanofi is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 31 December 2019. The consolidated financial statements of Sanofi are available from: Sanofi, 54 Rue La Boétie, 75008 Paris, France.