

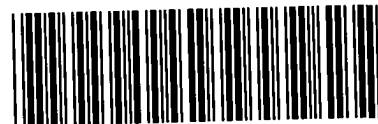
BioReliance UK Acquisition Limited

Annual report and financial statements

Registered number 06131176

31 December 2021

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Company information

As at the date of this report

Directors

David McClelland
Peter Biro

Secretary

AG Secretarial Ltd

Auditor

KPMG LLP
Gateway House
Tollgate
Chandler's Ford
SO53 3TG
United Kingdom

Banker

The Royal Bank of Scotland plc
24/25 St Andrew Square
Edinburgh
EH2 1AF

Solicitor

Pinsent Masons LLP
Princes Exchange
1 Earl Grey Street
Edinburgh
EH3 9AQ

Registered office

The Old Brickyard
Gillingham
Dorset, UK
SP8 4XT

Strategic report

The directors present their strategic report and financial statements for the year ended 31 December 2021.

Results

The company income for the financial year, after taxation, is £25,000,000 (2020: £nil) and relates to dividend income.

Business review

No significant business changes during the year

Principal activities and review of the business

The principal activity of BioReliance UK Acquisition Limited is an investment holding company owning the share capital of BioReliance Limited. The principal activity of BioReliance Limited is to provide biological safety testing and manufacturing services.

As a holding company there are no KPIs of relevance.

Future developments

The Directors are currently considering a proposal to liquidate the Company and it would be expected to take place, within 1 year of the date of signing the financial statements. During this period BioReliance UK Acquisition Limited will continue as a holding company for its subsidiary.

Going concern


In previous years, the financial statements have been prepared on a going concern basis. However, the Directors are currently considering a proposal to liquidate the Company and that is expected to be ratified in the near future. As such the accounts are prepared on a non Going Concern basis. That has no effect on the financial statements.

Principal risks and uncertainties

The vote for the United Kingdom to leave the European Union resulted in changes to the business environment which potentially may impact the Company regarding future trading arrangements between the United Kingdom and European markets.

Risks are formally reviewed by management and appropriate processes are in place to monitor and mitigate them.

By order of the board


PETER BIRO (Jul 5, 2022 09:57 GMT+2)

Peter Biro

Director

The Old Brickyard
Gillingham
Dorset
SP8 4XT

Date: 5 July 2022

Directors' report

The directors present their directors' report for the year ended 31 December 2021.

Dividends

During the year, the company received a dividend of £25,000,000 (2020: £nil) from its subsidiary company. The company paid a dividend to its parent company of £25,000,000 (2020: £nil).

Financial instruments

The company does not enter into complex financial instruments.

Political and charitable donations

The company made no political or charitable donations in the year (2020: £nil).

Directors

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

David McClelland
Peter Biro

Directors' liabilities

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

Employee involvement

The company's policy is to consult and discuss with employees matters likely to affect employees' interests. Information on matters of concern to employees is given through employee quarterly meetings and monthly team briefings and involves all levels of staff. These meetings seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.


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 they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

In accordance with 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


PETER BIRO (Jul 5, 2022 09:57 GMT+2)

Peter Biro
Director

The Old Brickyard
Gillingham
Dorset
SP8 4XT

Date: 5 July 2022

Statement of directors' responsibilities in respect of the Strategic Report, the 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 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 BIORELIANCE UK ACQUISITION LIMITED

Opinion

We have audited the financial statements of BioReliance UK Acquisition Limited ("the Company") for the year ended 31 December 2021 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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.

Emphasis of matter -non going concern basis of preparation

We draw attention to the disclosure made in note 1.2 to the financial statements which explains that the financial statements are now not prepared on the going concern basis for the reason set out in that note. Our opinion is not modified in respect of this matter

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included enquiring of directors and inspection of policy documentation as to the UK Merck Group's policies and procedures to prevent and detect fraud that apply to this group company as well as enquiring whether the directors have knowledge of any actual, suspected or alleged fraud.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions. We did not identify any additional fraud risks.

We performed procedures including agreeing all accounting entries in the period to supporting documentation.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

This company, as a holding company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The directors are responsible for the other information, which comprises the strategic report and the directors' report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information 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 other information.
- 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 4, 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.

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.

C. J. Griffiths

Caroline Griffiths (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

KPMG LLP,
Gateway House,
Tollgate,
Chandlers Ford
SO53 3TG

Date: 28 September 2022

Profit and Loss Account
for the year ended 31 December 2021

	<i>Note</i>	2021 £000	2020 £000
Dividends received		25,000	-
Profit on ordinary activities before taxation		25,000	-
Tax on profit on ordinary activities	4	-	-
Profit for the financial year		25,000	-

The notes on pages 11 to 15 form part of these financial statements.


There were no recognised gains or losses other than the result for the year and therefore no statement of recognised gains or losses has been prepared.

Balance Sheet
at 31 December 2021

	<i>Note</i>	2021 £000	2020 £000
Investments	5	50,815	50,815
Net assets		50,815	50,815
Capital and reserves			
Called up share capital	6	-	-
Profit and loss account		50,815	50,815
Equity shareholder's funds		50,815	50,815

The notes on pages 11 to 15 form part of these financial statements.

These financial statements were approved by the board of directors on 5 July 2022 and were signed on its behalf by:


PETER BIRO (Jul 5, 2022 09:57 GMT+2)

Peter Biro
Director

The Old Brickyard
Gillingham
Dorset
SP8 4XT

Statement of Changes in Equity
for the year ended 31 December 2021

	Called up share capital	Profit and loss account	Total Equity
	£000	£000	£000
Balance at 1 January 2020	-	50,815	50,815
Total comprehensive income for the period			
Profit for the financial year	-	-	-
Dividends paid	-	-	-
Total comprehensive income for the period	-	-	-
Balance at 31 December 2020	-	50,815	50,815

	Called up share capital	Profit and loss account	Total Equity
	£000	£000	£000
Balance at 1 January 2021	-	50,815	50,815
Total comprehensive income for the period			
Profit for the financial year	-	25,000	25,000
Dividends paid	-	(25,000)	(25,000)
Total comprehensive income for the period	-	-	-
Balance at 31 December 2021	-	50,815	50,815

The notes on pages 11 to 15 form part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

BioReliance U.K. Acquisition Limited (the “Company”) is a private company limited by shares and is incorporated and domiciled in the UK.

These financial statements have been prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable to the UK and Republic of Ireland (“FRS 102”). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £’000.

The Company’s ultimate parent undertaking Merck KGaA includes the Company in its consolidated financial statements. The consolidated financial statements of Merck KGaA are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from Frankfurter Strasse 250, 64293 Darmstadt, Germany. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures;

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 10.

The company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group accounts as it is a wholly owned subsidiary of Merck KGaA, Darmstadt which prepares consolidated accounts. These financial statements present information about the company as an individual undertaking and not its group.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

In previous years, the financial statements have been prepared on a going concern basis. However, the Directors are currently considering a proposal to liquidate the Company and that is expected to be ratified in the near future. As such the accounts are prepared on a non Going Concern basis. That has no effect on the financial statements.

1.3 Basic financial instruments

Trade and other creditors

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Investments in subsidiaries

Investments are carried at cost less impairment.

Notes (continued)

1 Accounting policies (continued)

1.4 Taxation

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

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.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1.5 Interest Payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

1.6 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Notes (continued)

1 Accounting policies (continued)

1.7 Impairment excluding stocks and deferred tax assets

Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

2 Loss on ordinary activities before taxation

	2021 £000	2020 £000
Auditor's remuneration – Audit of these financial statements	10	10

These costs were incurred on behalf of the company by its subsidiary, BioReliance Limited.

3 Staff costs and directors' remuneration

The company has no employees and no remuneration was paid to or receivable by the directors in respect of their services to the company as their directorship for the company is incidental to their wider group role.

4 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2021 £000	2020 £000
<i>Current tax</i>		
Current year charge	-	-
<i>Deferred tax charge</i>		
Deferred tax charge	-	-
Total tax charge	-	-

Factors affecting tax charge for current period

The current tax charge for the period is lower than (2020: equal to) the standard rate of corporation tax in the UK at 19.00% (2020: 19.00%) and is explained below:

Notes *(continued)*

4 Taxation (continued)

	2021 £000	2020 £000
<i>Reconciliation of effective tax rate</i>		
Profit excluding taxation	25,000	-
	<hr/>	<hr/>
Tax at the standard corporation tax rate for the year of 19.00% (2020: 19.00%)	4,750	-
Income not deductible for tax purposes	(4,750)	-
	<hr/>	<hr/>
Total tax charge included in profit and loss	-	-
	<hr/>	<hr/>

5 Investments

	Subsidiary undertakings £000
<i>Cost</i>	
At the beginning of year	50,815
At the end of year	50,815
	<hr/>

The investments at the balance sheet date in which the group and the company hold 20% or more of the nominal value of any class of share capital of unlisted companies include the following:

	Country of Registered Office	Principal Activity	Class and Percentage of shares held
BioReliance Limited	United Kingdom, 13 Queen's Road, Aberdeen	Biosafety testing and biomanufacturing	Ordinary 100%

Notes *(continued)*

6 Called up share capital

	2021 £	2020 £
<i>Allotted, called up and fully paid</i>		
100 (2020: 100) ordinary shares of £1 each	100	100

7 Related party transactions

In accordance with the provisions of Section 33.1A of FRS 102 the company, being a wholly owned subsidiary undertaking, has claimed exemption from disclosing related party transactions with other group companies.

8 Ultimate parent undertaking, related undertakings and controlling party

The Company's ultimate parent company is Merck KGaA, a company incorporated in Germany.

The largest and smallest group in which the results of the Company are consolidated is that headed by Merck KGaA. The consolidated financial statements of the group are available to the public and may be obtained from Frankfurter Strasse 250, 64293 Darmstadt, Germany.

The company's related subsidiary undertaking is stated in note 5. The Companies immediate and ultimate parent company are listed above.

10 Accounting estimates and judgements

Key sources of estimation uncertainty

For financial reporting purposes, the directors have not identified any key sources of estimation uncertainty related to the Company.

Critical accounting judgements in applying the Company's accounting policies

There are no key judgments.