

# Notes to the Consolidated Financial Statements

continued

## 6. Interests in Associate

### (a) Losses in Associate

Set out below is the summarised financial information of Medical Ethics Pty Ltd for the year ended 30 June, which is accounted for using the equity method. This is not Dechra Pharmaceuticals PLC's share of the results.

	2020 £m	2019 £m
Revenue	0.7	0.4
Pre-tax loss from continuing operations	(3.1)	(1.4)
Post-tax loss from continuing operations	(1.3)	(0.8)
	2020 £m	2019 £m
Non-current assets	1.9	1.9
Current assets	1.2	4.1
	3.1	6.0
Non-current liabilities	–	–
Current liabilities	(1.6)	(0.2)
	(1.6)	(0.2)
Net assets of associate	1.5	5.8

### (b) Interest in Associate

	2020 £m	2019 £m
1 July	10.1	10.5
Additions	7.6	–
Share of underlying profit/(loss) after tax	0.3	(0.2)
Share of amortisation of intangible asset identified on acquisition (net of tax)	(0.6)	(0.2)
30 June	17.4	10.1

On 5 July 2019 the Group acquired a further 15.0% of the issued share capital of Medical Ethics Pty Ltd for a total consideration of AUD13.5 million (£7.6 million). Following the acquisition the Group holds 48.0% of the issued share capital of Medical Ethics Pty Ltd, which is the holding company of Animal Ethics Pty Ltd. The company is incorporated in Australia, which is also the principal place of business. The registered address is c/o Level 3, 649 Bridge Road, Richmond, Victoria 3121, Australia. The company has share capital consisting solely of ordinary shares, which are directly owned by the Group. Medical Ethics Pty Ltd is a private company and there is no quoted market price available for its shares. There are no contingent liabilities relating to the Group's interest in the associate.

The Group's share of the loss arising from its investment in Medical Ethics includes the effect of harmonising the accounting policies and of amortising the fair value adjustments (net of tax), which are treated as non-underlying.

### (c) Reconciliation of Summarised Financial Information Presented to the Carrying Amount of its Interest in Associates

	2020 £m	2019 £m
Opening interest in associate	1.5	1.9
Fair value of associate acquired	4.6	–
Post-tax profit/(loss) from continuing operations	0.3	(0.2)
Amortisation of notional intangible asset recognised on acquisition (net of tax)	(0.6)	(0.2)
Interest in associate	5.8	1.5
Goodwill	11.6	8.6
Carrying value of investment in associate	17.4	10.1