

REGISTERED NUMBER: 02148607 (England and Wales)

INNOVATA LIMITED

02148607

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**



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INNOVATA LIMITED
COMPANY INFORMATION

DIRECTORS: P Fry (resigned 31.03.2022)
W Downie (resigned 31.03.2022)
E Knowles (appointed 31.03.2022)
J Murphy (appointed 31.03.2022)

COMPANY SECRETARY: J Murphy

REGISTERED OFFICE: One Prospect West
Chippenham
Wiltshire
SN14 6FH
United Kingdom

REGISTERED NUMBER: 02148607 (England and Wales)

INDEPENDENT AUDITOR: KPMG LLP
15 Canada Square
London
E14 5GL
United Kingdom

PRINCIPAL BANKER: Barclays Bank Plc
1 Churchill Place
Canary Wharf
London
E14 5HP
United Kingdom

DIRECTORS' REPORT

The Directors present their report on the affairs of the Innovata Limited (the "Company"), together with the audited financial statements for the year ended 31 December 2021. This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

PRINCIPAL ACTIVITY

The principal activity of the Company is that of an investment holding company that carries out management and maintenance of its investments.

The Company is a wholly-owned subsidiary of Philip Morris International Inc which is the smallest and largest entity to consolidate the Company's results. The Company's immediate parent undertaking is Vectura Group Investments Limited.

GOING CONCERN

Notwithstanding net current liabilities of £327,000 (2020: net current assets of £3,529,000) and a profit for the year of £67,000 (2020: £63,000) the directors have prepared the financial statements on a going concern basis for the following reasons. The directors have prepared cash flow forecasts in order to assess going concern which indicate that the company will have sufficient funds to meet its liabilities as they fall due during the going concern assessment period.

On 30 June 2022, the Company received a dividend in specie of £309,000 in settlement of the Company's payable balance to Quadrant Technologies Limited. Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

DIVIDENDS

The Directors do not recommend the payment of a dividend in 2021 (2020: nil).

DIRECTORS

The Directors who held office during the year were as follows:

P Fry (resigned 31 March 2022)
W Downie (resigned 31 March 2022)

The ultimate parent company has granted an indemnity to its Directors against liability in respect of any proceedings brought by third parties, which remains in force as at the date of approving the Directors' Report. All costs in relation to the Directors' remuneration are met by other entities within the Group. The Directors do not receive any remuneration for services provided to the Company.

POLITICAL AND CHARITABLE DONATIONS

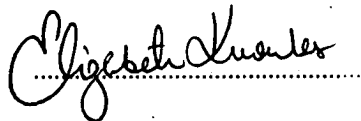
No political or charitable donations were made in the year (2020: nil).

INFORMATION PROVIDED TO THE AUDITOR

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

INNOVATA LIMITED
DIRECTORS' REPORT FOR THE YEAR PERIOD ENDED 31 DECEMBER 2021

The Director's report has been approved and signed on behalf of the Board by:

A handwritten signature in black ink, appearing to read 'Elizabeth Knowles', is written over a horizontal dotted line.

Elizabeth Knowles
Director
29 September 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 INNOVATA LIMITED

Opinion

We have audited the financial statements of Innovata Limited ("the Company") for the year ended 31 December 2021, which comprise the Income Statement, Balance Sheet, Statement Of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework* and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

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 Vectura Group Limited'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:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual account combinations.
- Reading board and audit committee minutes

Identifying and responding to risks of material misstatement related to 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.

Director's report

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

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

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, 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

INNOVATA LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INNOVATA LIMITED

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.

.....
Adrian Wilcox (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
United Kingdom

29 September 2022

INCOME STATEMENT

	Note	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Revenue		-	-
Corporate and administrative expenses		(3)	(16)
Operating loss	3	(3)	(16)
Finance income		70	79
Profit before tax		67	63
Taxation	4	-	-
Profit after tax		67	63

All results are derived from continuing operations and are attributable to the parent. As there is no difference between the results presented above and total comprehensive income, a separate statement of other comprehensive income is not presented.

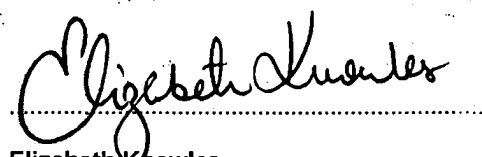
The accompanying notes form an integral part of these financial statements.

BALANCE SHEET

	Note	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
ASSETS			
Non-current assets			
Amounts due from group undertakings	5	3,923	-
Current assets			
Amounts due from group undertakings	5	-	3,868
Cash and cash equivalents		1	1
Total current assets		1	3,869
Total assets		3,924	3,869
LIABILITIES			
Current Liabilities			
Trade and other payables		(3)	-
Amounts due to group undertakings	6	(325)	(340)
Total current liabilities		(328)	(340)
Total liabilities		(328)	(340)
NET ASSETS		3,596	3,529
SHAREHOLDERS' EQUITY			
Called up share capital		1,000	1,000
Retained earnings		2,596	2,529
Total shareholders' equity		3,596	3,529

The accompanying notes form an integral part of these individual financial statements.

The financial statements of Innovata Limited, registered number 02148607, were approved and authorised for issue by the Board of Directors and were signed on its behalf by:



Elizabeth Knowles
Director
29 September 2022

STATEMENT OF CHANGES IN EQUITY

	Share capital £'000	Retained earnings £'000	Total equity £'000
At 1 January 2020	1,000	2,466	3,466
Profit for the year	-	63	63
At 31 December 2020	1,000	2,529	3,529
Profit for the year	-	67	67
At 31 December 2021	1,000	2,596	3,596

Allotted, issued and fully paid up share capital of 100,000,000 ordinary shares with a par value of £0.01 each (2020: 100,000,000 shares with a par value of £0.01) are held by the Company's immediate parent undertaking, Vectura Group Investments Limited.

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

1. General information

Innovata Limited (the "Company") is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales and is a wholly-owned subsidiary of Philip Morris International Inc. The address of the registered office is One Prospect West, Chippenham Wiltshire, SN14 6FH. The nature of the Company's operations and its principal activities are set out in the Directors' report.

2. Basis of preparation

The Company prepares its financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRS") but has excluded certain information as permitted by FRS 101-Reduced Disclosure Framework.

These financial statements, which are prepared using the historical cost convention and on a going concern basis, are prepared in accordance with FRS 101-Reduced Disclosure Framework and with UK accounting presentation under the Companies Act 2006 as at 31 December 2021, with comparative figures as at 31 December 2020.

The following automatically available FRS 101 disclosure exemptions have been taken:

- A Cash Flow Statement and related notes;
- Comparative period reconciliations for fixed assets;
- Certain disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel;
- Disclosures of transactions with a management entity that provides key management personnel services; and

As the consolidated financial statements of the ultimate parent undertaking include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Disclosure requirements of IFRS 15 Revenue from Contracts with Customers.
- The disclosures required by IFRS 7 Financial Instrument Disclosures.

There has been no impact of any new accounting standards or policies for the year ended 31 December 2021. There have been no significant judgements or critical estimation uncertainty made for the preparation of these financial statements.

Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: Non-current assets are stated at the lower of previous carrying amount and fair value less costs to sell.

Going concern

Notwithstanding net current liabilities of £327,000 (2020: net current assets of £3,529,000) and a profit for the year of £67,000 (2020: £63,000) the directors have prepared the financial statements on a going concern basis for the following reasons. The directors have prepared cash flow forecasts in order to assess going concern which indicate that the company will have sufficient funds to meet its liabilities as they fall due during the going concern assessment period.

On 30 June 2022, the Company received a dividend in specie of £309,000 in settlement of the Company's payable balance to Quadrant Technologies Limited. Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

3. Operating loss

Auditors' Remuneration

Operating loss is stated net of remuneration payable to the Company's auditors. Fees payable to the Company's auditor services pursuant to these accounts were £7,500 (2020: £7,500). No other non-audit or other services were performed.

Directors' Remuneration

The Directors did not receive any remuneration attributable to qualifying services directly related to the Company (2020: nil). Aggregate Directors' remuneration can be found in the financial statements of Vectura Group Limited.

4. Taxation

	Year ended 31 December 2021	Year ended 31 December 2020
	£m	£m
Current income tax	-	-
Total current income tax	-	-
Deferred tax	-	-
Total tax reported in the income statement	-	-

The Company is profit-making and the effective tax rate is nil (2020: nil). Tax charged at the UK standard rate of 19% (2020: 19%) was group relieved by other UK group companies such that the tax charge is nil (2020: nil).

5. Amounts due from group undertakings

Amounts due from:	Year ended 31 December 2021	Year ended 31 December 2020
	£'000	£'000
Vectura Limited	3,923	3,868
Total amounts due from group undertakings	3,923	3,868

As all amounts receivable are from other entities within the Vectura Group, they are considered to be fully recoverable. Amounts receivable from Group undertakings were reclassified as non-current in the year based on the expectation of the realisation of these receivables.

6. Amounts due to group undertakings

Amounts owed to:	Year ended 31 December 2021	Year ended 31 December 2020
	£'000	£'000
Quadrant Technologies Limited	309	340
Innovata Biomed Limited	16	-
Total amounts due to group undertakings	325	340

Amounts due to fellow Group undertakings are non-interest bearing and repayable on demand.

7. Investments in subsidiary undertakings

Details of the Company's subsidiary and related undertakings are listed below. Unless otherwise stated the share capital disclosed comprises ordinary shares which are indirectly held by the Company.

Name of undertaking	Country of incorporation	Holding	Address	Proportion held	Nature of Business
Innovata Biomed Limited	Scotland	Ordinary	B	100%	Non-trading
Quadrant Drug Delivery Limited ^{1,4}	England	Ordinary	A	100%	Dormant
Innovata HK Limited ²	Hong Kong	Ordinary	C	82%	Holding Company
Quadrant Technologies Limited ⁴	England	Ordinary	A	100%	Dormant
Quadrant Healthcare Limited ^{3,4}	England	Ordinary	A	100%	Dormant

¹A subsidiary of Quadrant Technologies Limited

²A subsidiary of Innovata Biomed Limited

³A subsidiary of Quadrant Drug Delivery Limited

⁴Currently in the process of being struck off

A - Consistent with the Company

B - 2nd Floor North, Saltire Court, 20 Castle Terrace, Edinburgh EH1 2EN

C - Unit 1802, 18/F., Asia Trading Centre, 79 Lei Muk Road, Kwai Chung, N.T., Hong Kong

8. Ultimate parent company

The Company's immediate parent undertaking is Vectura Group Investments Limited, a company incorporated in the UK. The smallest and largest group into which the results of the Company are consolidated is that of the ultimate controlling party, Phillip Morris International Inc. which is incorporated in the United States of America.

Copies of the Phillip Morris International Inc. group financial statements can be obtained at:

120 Park Avenue
New York City
NY
United States
10017