

INNOVATA LIMITED  
COMPANY INFORMATION

**INNOVATA LIMITED**  
**02148607**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**



INNOVATA LIMITED  
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**INNOVATA LIMITED**  
**COMPANY INFORMATION**

**DIRECTORS:** J Murphy  
C Williams (appointed on 9 August 2023)

**COMPANY SECRETARY:** J Murphy

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

**REGISTERED NUMBER:** 02148607 (England and Wales)

**INDEPENDENT AUDITOR:** PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
40 Clarendon Road  
Watford  
Hertfordshire  
WD17 1JJ

**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 2022. This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

## **PRINCIPAL ACTIVITIES**

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**

With net assets of £3,964,000 (2021: £3,596,000) and a profit for the year of £368,000 (2021: £67,000) the directors have prepared the financial statements on a going concern basis for the following reasons. The directors have prepared cash flow forecasts 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. 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 2022 (2021: nil).

## **DIRECTORS**

The Directors who held office during the year and up to the date of signing the financial statements were as follows:

P Fry (resigned 31 March 2022)  
W Downie (resigned 31 March 2022)  
E Knowles (appointed 31 March 2022, resigned 31 July 2023)  
J Murphy (appointed 31 March 2022)  
C Williams (appointed 09 August 2023)

### *Directors' indemnities and Directors' and Officers' liability insurance*

A qualifying third-party indemnity provision (but not a qualifying pension scheme indemnity provision) for the benefit of the Directors was in force throughout the year and remain in force as at the date of approving the Director's report. The insurance for the Directors and Officers in respect of liabilities which could arise in the discharge of their duties is included in the policy of the ultimate parent company.

## **POLITICAL AND CHARITABLE DONATIONS**

No political or charitable donations were made in the year (2021: nil).

## **INDEPENDENT AUDITOR**

The auditor, PricewaterhouseCoopers LLP, has indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

#### 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.

This report has been prepared in accordance with the special provisions relating to companies subject to the Small Companies regime within Part 15 of the Companies Act 2006, consequently, this annual report does not contain a strategic report.

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

  
.....

John Murphy  
Director  
23 November 2023

## 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 regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law).

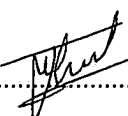
Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 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.

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.

Signed on behalf of the Board on 23 November 2023.

  
.....

**John Murphy**  
**Director**

23 November 2023

# Independent auditors' report to the members of Innovata Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, Innovata Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance sheet as at 31 December 2022; the Income statement and the Statement of changes of equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

#### **Directors' Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

#### **Responsibilities for the financial statements and the audit**

##### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

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.

##### **Auditors' 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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK taxation laws and the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inappropriate



## INNOVATA LIMITED

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

journal entries to manipulate results and management bias in making accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud around actual and potential frauds, litigations or claims against or by the company;
- Reviewing financial statement disclosure and testing to support documentation to assess compliance with applicable laws and regulations;
- Auditing the risk of management override of controls, including through testing journal entries and evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing minutes of meetings of those charged with governance; and
- Testing the appropriateness of accounting estimates.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

#### Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## Other required reporting

### Companies Act 2006 exception reporting

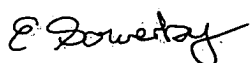
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

### Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Emma Sowerby (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Watford  
27 November 2023

**INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	Year ended 31 December 2022 £000	Year ended 31 December 2021 £000
Corporate and administrative expenses		(12)	(3)
<b>Operating loss</b>	<b>4</b>	<b>(12)</b>	<b>(3)</b>
Dividend Income	8	331	-
Finance income	9	71	70
<b>Profit before tax</b>		<b>390</b>	<b>67</b>
Tax on profit	10	(22)	-
<b>Profit for the financial year</b>		<b>368</b>	<b>67</b>

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.

INNOVATA LIMITED  
BALANCE SHEET AS AT 31 DECEMBER 2022

**BALANCE SHEET**

		2022	2021
	Note	£000	£000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Amounts owed by group undertakings	5	3,987	3,923
<b>Current assets</b>			
Cash and cash equivalents		23	1
<b>Total current assets</b>		<b>23</b>	<b>1</b>
<b>Total assets</b>		<b>4,010</b>	<b>3,924</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	6	(9)	(3)
Amounts owed to group undertakings	7	(37)	(325)
<b>Total current liabilities</b>		<b>(46)</b>	<b>(328)</b>
<b>Total liabilities</b>		<b>(46)</b>	<b>(328)</b>
<b>NET ASSETS</b>		<b>3,964</b>	<b>3,596</b>
<b>EQUITY</b>			
Called up share capital	12	1,000	1,000
Retained earnings		2,964	2,596
<b>Total shareholders' funds</b>		<b>3,964</b>	<b>3,596</b>

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:



**Chad Williams**  
Director  
23 November 2023

INNOVATA LIMITED  
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022**

	Share capital £000	Retained earnings £000	Total equity £000
<b>At 1 January 2021</b>	<b>1,000</b>	<b>2,529</b>	<b>3,529</b>
Profit for the year	-	67	67
<b>At 31 December 2021</b>	<b>1,000</b>	<b>2,596</b>	<b>3,596</b>
Profit for the year	-	368	368
<b>At 31 December 2022</b>	<b>1,000</b>	<b>2,964</b>	<b>3,964</b>

Allotted, issued and fully paid-up share capital of 100,000,000 ordinary shares with a par value of £0.01 each (2021: 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, United Kingdom. The nature of the Company's operations and its principal activities are set out in the Directors' report.

## 2. Basis of preparation

The financial statements of UK GAAP Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

In preparing these financial statements, which are prepared using the historical cost convention and on a going concern basis, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK (UK-adopted international accounting standards), but makes amendments where necessary in order to comply with the Companies Act 2006 and to take advantage of FRS 101 disclosure exemptions.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

The Company has not prepared consolidated financial statements including its direct and indirect subsidiaries by virtue of the exemption to produce consolidated financial statements provided by the Companies Act 2006, s. 401.

The accounting policies as described below are based on the requirements of the Companies Act 2006 and FRS-101 and have been consistently applied. All Standards, Amendments and Interpretations under IFRS as applicable to FRS-101 have been applied throughout the year. There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2022 that have a material impact on the company's financial statements. No new standards or interpretations have been early adopted in the year.

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

- A Cash Flow Statement and related notes;
- Comparative period reconciliations for fixed assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel;
- Disclosures of transactions with a management entity that provides key management personnel services; and
- An additional balance sheet for the beginning of the earliest comparative period following retrospective change in accounting policy, the correction of error, or the reclassification of items in the financial statements

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

- The disclosures required by IAS 24 – Related Party disclosures

### Measurement convention

These financial statements are prepared using the historic cost convention. Individual assets and liabilities are accounted for in line with the relevant accounting standards applicable to their units of account.

### Going concern

With net assets of £3,964,000 and a profit for the year of £368,000 (2021: £67,000) 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.

## **2. Basis of preparation (continued)**

### **Significant judgements and critical estimates**

The Directors have not applied any significant judgements or critical estimates in the preparation of these financial statements.

## **3. Significant accounting policies**

### **General and administrative expenses**

General and administrative expenses represent shared costs incurred in managing the activities of the Company; these include indirect overhead costs, administrative support costs for the Group including employee costs and external costs of HR, IT, Legal (including the registration and maintenance of intellectual property), Finance, Head Office costs, and associated depreciation and utility costs. These expenses are recognised on an accruals basis in the period in which they are incurred.

### **Other income**

Other operating income relates to government grants for qualifying R&D and customer contributions for contributions to property, plant and equipment required for the supply chain process.

Government grants recognised in other operating income relate to qualifying UK R&D under the research and development expenditure credit (RDEC) scheme for large companies. Such grants are taxable and are presented as other operating income in the income statement.

### **Taxation**

The net taxation charge / credit on the profit for the year includes current and deferred tax. Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received using tax rates enacted at the reporting date.

Deferred taxation is recognised on all temporary differences arising between the local tax bases of assets and liabilities and their carrying amounts in the Company's financial statements. Deferred 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 tax is not discounted and is measured at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on legislation enacted or substantively enacted at the balance sheet date.

### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in creditors: amounts falling due within one year.

### **Trade & other receivables**

Trade and other receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. The company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

### 3. Significant accounting policies (continued)

To measure the expected credit losses, trade receivables and contract assets are grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

#### Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### Trade & other payables

Payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Payables are presented as amounts falling due within one year unless payment is not due within 12 months after the reporting period.

### 4. Operating loss

Operating profit of £12,000 (2021: £3,000) is stated after charging:

	Year ended 31 December 2022	Year ended 31 December 2021
	£000	£000
Auditor's remuneration	9	7

The Company had nil employees in the year (2021: nil), including the Directors.

#### Corporate and administrative expenses

There was an operating loss of £12,000 (2021: £3,000) due to patent costs, tax consultancy costs and audit costs.

#### Auditors' Remuneration

Fees payable to the Company's auditor services pursuant to these accounts were £9,000 (2021: £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 (2021: nil). Aggregate Directors' remuneration can be found in the financial statements of Vectura Group Limited.

**5. Amounts owed by group undertakings**

	31 December 2022	31 December 2021
	£'000	£'000
Amounts owed by:		
Vectura Limited	3,987	3,923
<b>Total amounts owed by group undertakings</b>	<b>3,987</b>	<b>3,923</b>

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. Trade and other payables**

	31 December 2022	31 December 2021
	£000	£000
Trade and other payables	9	3
<b>Total trade and other payables</b>	<b>9</b>	<b>3</b>

**7. Amounts owed to group undertakings**

	31 December 2022	31 December 2021
	£000	£000
Amounts owed to:		
Quadrant Technologies Limited	-	309
Vectura Group Limited	21	-
Innovata Biomed Limited	16	16
<b>Total amounts owed to group undertakings</b>	<b>37</b>	<b>325</b>

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

**8. Dividend Income**

	Year ended 31 December 2022	Year ended 31 December 2021
	£000	£000
Dividend received	331	-
<b>Total dividend received</b>	<b>331</b>	<b>-</b>

Received from dissolving Quadrant Technologies Limited in the reporting period (see note 9).



9. Finance Income

	Year ended 31 December 2022	Year ended 31 December 2021
	£000	£000
Interest on long-term balances	71	70
<b>Total finance income</b>	<b>71</b>	<b>70</b>

10. Tax on profit

	Year ended 31 December 2022 £000	Year ended 31 December 2021 £000
<b>Profit before tax</b>	<b>390</b>	<b>67</b>
Profit before tax multiplied by standard rate of UK corporation tax of 19% (2021: 19%)	(74)	(13)
<b>Effects of:</b>		
Dividend income exempt from Corporation tax	63	-
Group relief claim	-	13
Prior year adjustment	(11)	-
<b>Total tax charge for the year</b>	<b>(22)</b>	<b>-</b>

The Company is profit-making and the effective tax rate is 6.0% charge (2021: nil). Tax charged at the UK standard rate of 19% (2021: 19%) was partly group relieved.

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

#### 11. 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 directly or indirectly held by the Company. These investments are value at nil on the balance sheet (2021: nil)

Name of undertaking	Country of incorporation	Holding	Address	Proportion held	Nature of Business
Innovata Biomed Limited	Scotland	Ordinary	A	100%	Non-trading
Innovata HK Limited <sup>1</sup>	Hong Kong	Ordinary	B	82%	Holding Company

<sup>1</sup>A subsidiary of Innovata Biomed Limited

A - 2nd Floor North, Saltire Court, 20 Castle Terrace, Edinburgh EH1 2EN, United Kingdom

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

On 20<sup>th</sup> September 2022, the following directly and indirectly held subsidiaries of the company were dissolved by voluntary strike off in 2022:

- Quadrant Drug Delivery Limited
- Quadrant Technologies Limited
- Quadrant Healthcare Limited

This resulted in a dividend in specie of £331k being recognised. Payment was affected by offset against pre-existing credit balances with the subsidiary.

#### 12. Called up share capital

Allotted, called up and paid:

Number	Class	Nominal value	2022 £000	2021 £000
100,000,000	Ordinary	£0.01	1,000	1,000

#### 13. 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 the registered office address:

120 Park Avenue  
New York City  
NY  
United States  
10017