

Barclay Pharmaceuticals Limited

Annual report and financial statements for the year ended 31 March 2020

Registered number: 02770716



Barclay Pharmaceuticals Limited

Annual report and financial statements for the year ended 31 March 2020

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Barclay Pharmaceuticals Limited

Strategic report for the year ended 31 March 2020

The directors present their strategic report of the company for the year ended 31 March 2020.

Principal activities

The principal activity of Barclay Pharmaceuticals Limited ("the company") during the year was the sale and distribution of pharmaceutical and other products.

Review of business and future developments

The directors monitor the progress of the company and the implementation of its strategy by reference to key performance indicators. The indicators employed include gross profit and operating margin.- These are discussed in more detail below.

The market for generic and imported pharmaceutical products remained highly competitive, however progress was made which was reflected in the growth in gross profit margin to 6.7% (2019: 4.9%). Sales have decreased by 2.2% (2019: decreased by 9.0%) year on year as a result of decreased volume, partly due to increased use of short liners by pharmacies.

During the year a decrease in operating costs of 2.9% (2019: 3.9%) was noted which was driven mainly as a result of the closure of our Betterlife Healthcare Limited operations. For the same reason the increased gross margin translated this year into operating profit margin of 1.3% (2019: -0.5%) due to the reduction in cost of sales.

The company continues to develop its supply capability for both generic and imported pharmaceutical products but short line pharmaceutical wholesaling remains an intensely competitive market. We remain convinced that our partnerships with generic manufacturers and strong parallel trade relationships will ensure that the company is extremely well placed to grow further in the future.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of key risks. Risks are formally reviewed by the board and appropriate processes are put in place to monitor and mitigate them.

Competition

Barclay Pharmaceuticals Limited operates in a market which is highly competitive, particularly around price and product availability. There is, as a result, permanent pressure on margins with the additional risk that the company will not meet the expectations of customers. To mitigate this risk, the sales and supply teams monitor market prices on a daily basis.

Supply chain

The provision of a process driven quality service to customers and suppliers is dependent on the availability of a number of key systems, including warehouse management, supply chain support and customer ordering. The company has a policy of continually investing in these systems to ensure it retains its leading position amongst pharmaceutical wholesalers. The systems are monitored and assessed on a regular basis, using a variety of diagnostic tools such as benchmarking.

Barclay Pharmaceuticals Limited

Strategic report for the year ended 31 March 2020 *(continued)*

Principal risks and uncertainties *(continued)*

People

The company recognises that the success of Barclay Pharmaceuticals Limited is built upon the consistency and effectiveness of the service that is offered to customers. It is understood that the culture of the business is the basis of ensuring service to customers is the core focus of our activities.

Good service can only be delivered by the very best people and there is a continual focus within the company on the recruitment, training, development and performance of all members of staff. The Board of Directors devote significant time to ensuring the programmes, processes, systems and behaviours continuously support and develop the culture of the business to meet the needs of a continually changing environment.

United Kingdom trading relationship with the European Union

The United Kingdom ("UK") entered into a trading arrangement with the European Union ("EU") on December 31st, 2020.

Under this arrangement, goods trade costs are likely to increase due to customs compliance requirements, potential border delays, rules of origin requirements and the need for products to satisfy different regulations and standards in the UK than the EU. The principal risks we face are around ensuring uninterrupted supply of pharmaceutical and medical products to patients and customers under a changed legal and regulatory environment as the EU medicine approval regime is now no longer recognized by the UK.

In addition, Northern Ireland ("NI") remains aligned to EU regulatory frameworks. We continue to explore the ways in which the UK will be required to apply EU regulations in NI through discussions with the UK Government and relevant trade associations, as certain derogations expire at the end of 2021.

The agreement does not guarantee mutual recognition of professional and sector-specific qualifications which will restrict labour mobility, including, but limited to, pharmacists and nurses that we, or our customers, employ. The company celebrates its diverse workforce and recognises a number of its employees are non-UK nationals. The agreement, and how people react to it, may impact employee retention as well as future recruitment and raise costs. Effects on the workforce are expected to play out over a longer time period which will allow the business to react as appropriate.

The risk of fluctuations in exchange rates have the potential to cause business disruption and profitability impacts.

The company continues to seek advice and clarification from the Government regarding ongoing negotiations to enhance the trading agreement and mitigate the above risks. Mitigating actions have been implemented to secure supply and minimise business disruption.

Novel Coronavirus

On 11 March 2020 the World Health Organisation declared novel coronavirus a pandemic. In March and November 2020, the UK Government announced strict lockdown measures across the UK.

Barclay Pharmaceuticals Limited provides a pivotal role in delivering healthcare services to communities around the country. The uncompromising priority of Barclay Pharmaceuticals Limited is the safety of its employees and customers. Barclay Pharmaceuticals Limited reacted swiftly to the UK Government's advice to ensure safety measures were put in place and continues to follow its advice in order to remain open to patients as access to other healthcare (e.g. GPs, clinics and hospitals) has been restricted.

Whilst the future duration and impact of the novel coronavirus are unknown Barclay Pharmaceuticals Limited will continue to support its communities whilst following the advice of the UK Government.

Barclay Pharmaceuticals Limited

Strategic report for the year ended 31 March 2020 *(continued)*

Statement by the directors on the performance of their statutory duties in accordance with s172(1) of the Companies Act 2006

This statement describes how the Directors complied with section 172(1) (a)-(f) of the Companies Act 2006 to promote the success of the company for the benefit of its stakeholders.

The nature of our highly regulated business requires that we consider the long-term consequences of our decisions. Our shareholders have invested capital to drive sustainable long-term profit growth. The Directors' report describes the Board's role in managing the business, our reputation, risks and balancing stakeholder needs for the long-term. The Board's other key stakeholders are as follows:

Customers and Suppliers

We build strong relationships with our customers and suppliers to promote mutually beneficial sustainable long-term profit growth. Engagement with customers and suppliers is primarily through formal reviews as well as regular conferences that bring suppliers and customers together to discuss shared concerns. Key areas of focus include close coordination to ensure availability of product in a safe and secure supply chain (refer to Principal risks and uncertainties that discusses the coronavirus and Brexit), innovation by introducing e-commerce to automate the supply chain and supporting prompt payment. The Board is briefed on customer and supplier metrics and feedback, opportunities and issues through regular board and management meeting reporting.

Colleagues

Our people are the key to enable us to execute our strategy and many of whom serve our customers, suppliers and patients, all living by our ICARE and ILEAD core values.

There are many ways we engage with and listen to our people including pulse surveys, conferences, forums including town hall meetings where colleagues can interact with our Chief Executive Officer and receive updates on strategic initiatives and our business and recognize great performance. We also promote a diverse and inclusive workforce through robust hiring processes, manager training, network groups to foster a sense of community, awareness and celebrations. We also provide opportunities for our colleagues to provide feedback on our policies and processes. The Board reviews, and approves, changes to our talent strategy.

Key areas of focus for our colleagues include reinforcement of our culture through our values, code of conduct, career pathways and development plans. We foster a performance-based culture based on regular and transparent feedback, along with regular performance reviews that are linked to compensation. There are numerous development opportunities, including sponsorship for our top talent to attend our European Talent programmes.

The health and wellness of our colleagues are a key priority, and we provide a robust employee assistance program which includes mental health support and free flu vaccinations. In the novel coronavirus environment, the Board has taken appropriate steps to ensure the safety of our colleagues including social distancing, regular cleaning across all sites, screens where appropriate, temperature checking and personal protective equipment. Appropriate measures and protocols are informed by Government guidance.

Colleagues are encouraged to speak up with any concerns they may have. We have in place a Whistleblowing Policy and confidential reporting line, enabling colleagues to raise concerns without fear of retaliation.

The Board receives reports on opportunities and concerns raised by colleagues through regular board, committee and management meeting reporting.

Barclay Pharmaceuticals Limited

Strategic report for the year ended 31 March 2020 *(continued)*

Statement by the directors on the performance of their statutory duties in accordance with s172(1) of the Companies Act 2006 *(continued)*

Government and regulators

We operate in a highly regulated industry, and patient safety is critical. Government entities, including the Department of Health, determine tariff reimbursement levels and service fees that impact the supply chain, including ourselves, our customers and our suppliers. We engage with the government and regulators through a range of sector organisations such as the Healthcare Distribution Association. We also independently engage with stakeholders by responding to consultations, and participating in forums, meetings and conferences to inform about, educate on and discuss changes to the sector with policy makers relevant to our business.

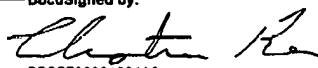
Key areas of engagement include compliance with laws and regulations, health and safety, evolving how we support stakeholders under Covid-19 and Brexit negotiations. The Board is updated on developments through regular board and management meeting reporting and takes these into account when making decisions.

Communities and the Environment

We engage with local communities to build trust and understand the issues that are important to them. Key areas of focus include how we can support local causes and issues, create opportunities to recruit, help to look after the environment (refer to the Directors' report) and engage with communities through social media.

We have an established partnership with the Alzheimer's Society and raise awareness and funds for this cause through corporate events. The Board receives updates through appropriate board and management meeting reporting.

Approved by the board and signed on its behalf by:

DocuSigned by:

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C Keen
Director

30 March 2021

Barclay Pharmaceuticals Limited

Directors' report for the year ended 31 March 2020

The directors present their annual report and the audited financial statements of the company for the year ended 31 March 2020.

Results

Details of the results for the financial year are set out in the income statement on page 11. There are no significant events to report after the balance sheet date.

Dividends

The directors do not recommend the payment of a final dividend (2019: £nil). No interim dividend (2019: £nil) was paid during the year.

Political and charitable contributions

No political or charitable contributions were made during the year (2019: £nil).

Future developments

Future developments of the business are detailed in the strategic report.

Directors' Responsibility under Section 172 and Statement of engagement with suppliers, customers and others in a business relationship with the Company

The Directors welcome the requirements under Section 172 and Sch. 7.11B(1) to Companies Act 2006. Comments on how the Directors have had a regard for the interests of various stakeholders whilst making key decisions are contained on pages 3-4 in the Strategic Report.

Energy and Carbon Reporting

	Year ended March 31, 2020
Emission resulting from activities including combustion of gas or consumption of fuel for transport (tCO ₂ e)	1,629
Emissions resulting from the purchase of electricity, including for transport (tCO ₂ e)	236
Energy consumed from activities involving the combustion of gas or the consumption of fuel for transport and the purchase of electricity for its own use, including for transport (kWh)	8,086,065
Intensity ratio (kWh/revenue £m)	32,320

Methodology used to calculate the information disclosed above:

Calculation method: activity data x emission factor = greenhouse gas emission

Emissions factor source: DEFRA, 2019 for all emissions factors -

<https://www.gov.uk/government/publications/greenhouse-gasreporting-conversion-factors-2019>

Intensity ratio is based on revenue (in £m) for the year ended 31 March, 2020

Emissions are calculated based on a ratio of our revenue compared to AAH Pharmaceutical Limited revenue, an affiliate, and the company with which we share our only warehouse, as we do not currently track our emissions on a standalone basis.

Energy efficiency measures taken

Energy efficiency actions taken during the year ended 31 March, 2020 included operational improvements across the portfolio to improve energy management and increase how much we recycle.

Barclay Pharmaceuticals Limited

Directors' report for the year ended 31 March 2020 *(continued)*

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

T Anderson	
J Davies	
M Hilger	(Resigned 25 November 2019)
C Keen	(Appointed 25 November 2019)
C McDermott	(Resigned 16 October 2019)
N Swift	(Resigned 16 August 2019)

In accordance with the Articles of Association, none of the directors are required to retire from the board.

Going concern

The directors have received confirmation from the ultimate parent company that intergroup debt will continue to be made available at levels sufficient to allow the company to meet its liabilities as they fall due for a period not less than 12 months. The directors have satisfied themselves that the ultimate parent company has the necessary financial resources to provide this support during this period, should it be required. Therefore, the directors have a reasonable expectation that the company has adequate resources internally and through its association with the McKesson Corp, to continue in operational existence for the foreseeable future. As such, the going concern basis has been adopted in preparing the annual report and financial statements.

Further details regarding the adoption of the going concern basis can be found in the notes to the financial statements.

Employment of disabled persons

Wherever possible, disabled persons are given the same consideration for employment opportunities as other applicants and training and promotion prospects are identical. In particular, special consideration is given to continuity of employment in the case of an employee who becomes disabled, with suitable retraining for alternative employment, if practicable.

Engagement with employees

This is included within s172 statement in the Strategic Report.

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

Financial risk management

The company is exposed to a variety of financial risks, which include credit, liquidity, foreign currency and interest rate risk. The company has employed a programme that seeks to manage and limit any adverse effects of these risks, which are described in more detail below, on the financial performance of the company.

The directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board, although use is made of a central treasury function which arranges the overall funding requirements of McKesson in the UK ('the UK group'). This central function operates within a framework of clearly defined policies and procedures. The function reports to the board on a regular basis.

Barclay Pharmaceuticals Limited

Directors' report for the year ended 31 March 2020 *(continued)*

Financial risk management *(continued)*

The policies approved by the board of directors are implemented by the company's finance department and the central treasury function. The policies, which are documented in departmental manuals, cover funding and hedging instruments, exposure limits and a system of authority for the approval and execution of transactions.

Credit risk: the company has implemented policies that require appropriate credit checks on potential customers before sales are made. The finance and sales teams also liaise with customers on a regular basis to ensure that key issues are identified at an early stage.

Liquidity risk: the company participates in the banking arrangements of the UK group, which are arranged with the assistance of the central treasury function. The UK group funds its operations through a mix of retained earnings, borrowings and leasing that is designed to ensure that the company has sufficient funds for its day to day operations and other activities. Cash flow requirements are monitored through projections which are compiled on a periodic basis across the group. The UK group operates a cash pooling arrangement in which the company participates. Under this arrangement cash funds which are in excess of day to day requirements are loaned to other UK group companies.

Foreign currency and interest rate risk: the company is exposed to foreign exchange risk in relation to foreign currency purchases of stock and group financing denominated in a foreign currency, primarily in respect of the Euro. The company does not currently hedge its foreign currency exposures as foreign currency purchases of stock are only made where there is a favourable exchange rate. The company also has both interest bearing assets and liabilities, these being managed within the UK group.

Creditor payment policy

The policy of the company regarding the payment of trade creditors is determined internally. The policy is to:

- a) agree the terms of payment with creditors at the outset of any supply chain partnership and in advance of any provision of goods and services; and
- b) pay in accordance with the agreed terms and any other contractual or legal obligations.

The payment policy applies to all creditors for the supply of revenue and capital goods and services.

Directors' responsibilities statement

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 the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under Company law the directors must not approve the financial statements unless they are satisfied that they give true and fair view of the state of the 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:

- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and accounting estimates that are reasonable and prudent;
- c) (state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Barclay Pharmaceuticals Limited

Directors' report for the year ended 31 March 2020 *(continued)*

Directors' responsibilities statement *(continued)*

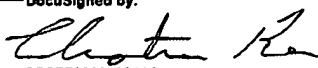
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

Statement of disclosure of information to the auditor

Each person who is a director at the date of approval of this report confirms the following: so far as each director is aware (a) there is no relevant audit information - that is information needed by the company's auditor in connection with preparing their report - of which the company's auditor is unaware and (b) the director has taken all the steps necessary as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the board and signed on its behalf by:

DocuSigned by:

BDB7F899B1984A8...
C Keen
Director

30 March 2021
Barclay Pharmaceuticals Limited
Sapphire Court, Walsgrave Triangle, Coventry, CV2 2TX
Registered number 02770716

Barclay Pharmaceuticals Limited

Independent auditor's report to the members of Barclay Pharmaceuticals Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Barclay Pharmaceuticals Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 20.

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).

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 UK, including the Financial Reporting Council's (the 'FRC'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.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

Barclay Pharmaceuticals Limited

Independent auditor's report to the members of Barclay Pharmaceuticals Limited

(continued)

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 this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions 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.

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 any material misstatements in the strategic report or the directors' report.

Barclay Pharmaceuticals Limited

Independent auditor's report to the members of Barclay Pharmaceuticals Limited

(continued)

Matters on which we are required to report by exception

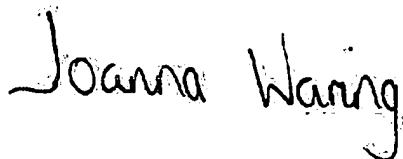
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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 respect of these matters.

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.



Joanna Waring FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom

30 March 2021

Barclay Pharmaceuticals Limited

Income statement for the year ended 31 March 2020

	Notes	2020 £'000	2019 £'000
Revenue	3	250,191	255,948
Cost of sales		(233,485)	(243,380)
Gross Profit		16,706	12,568
Distribution costs and administrative expenses	6	(13,353)	(13,753)
Operating profit/(loss)	8	3,353	(1,185)
Finance costs	7	(325)	(370)
Profit/(loss) before income tax		3,028	(1,555)
Income tax (charge)/credit	9	(549)	292
Profit/(loss) for the financial year attributable to the equity holder of the parent		2,479	(1,263)

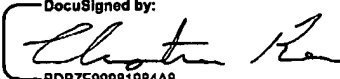
All of the activities of the company are classified as continuing. There were no other items of comprehensive income.

Barclay Pharmaceuticals Limited

Statement of Financial Position as at 31 March 2020

	Notes	2020 £'000	2019 £'000
Assets			
Non-current assets			
Deferred tax asset	9	<u>20</u>	<u>22</u>
		20	22
Current Assets			
Inventories	10	45,281	44,707
Trade and other receivables	11	79,188	76,459
Income tax asset		-	657
Cash and short term deposits	12	<u>1</u>	<u>-</u>
		124,470	121,823
Total assets		<u>124,490</u>	<u>121,845</u>
Current liabilities			
Trade and other payables	13	27,798	27,590
Other current liabilities	14	<u>208</u>	<u>250</u>
		28,006	27,840
Total assets less current liabilities		96,484	94,005
Net Assets		<u>96,484</u>	<u>94,005</u>
Equity			
Issued capital	17	25,000	25,000
Revenue Reserves		<u>71,484</u>	<u>69,005</u>
Total equity		<u>96,484</u>	<u>94,005</u>

The financial statements on pages 12 - 28 were approved by the board of directors on 30 March 2021, and were signed on its behalf by:

DocuSigned by:

 C. Keen
 Director
 Registered number: 02770716

Barclay Pharmaceuticals Limited

Statement of Changes in Equity for the year ended 31 March 2020

	Issued Share Capital £'000	Revenue Reserves £'000	Total Equity £'000
Balance as at 1 April 2018	25,000	70,268	95,268
Total comprehensive expense	-	(1,263)	(1,263)
Balance as at 1 April 2019	25,000	69,005	94,005
Total comprehensive income	-	2,479	2,479
Balance as at 31 March 2020	25,000	71,484	96,484

Barclay Pharmaceuticals Limited

Notes to the financial statements for the year ended 31 March 2020

1 General information

Barclay Pharmaceuticals Limited is a private company limited by shares and is domiciled in the UK and registered in England and Wales (Companies Act registered number: 02770716). The registered office address is Sapphire Court, Walsgrave Triangle, Coventry CV2 2TX.

The nature of the company's operations and its principal activities are set out in the strategic report on pages 1 to 3.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates. All values are rounded to the nearest thousand.

The Company has applied Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) issued by the Financial Reporting Council (FRC) incorporating the Amendments to FRS 101 issued by the FRC in July 2015 and the amendments to Company law made by The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015.

2 Summary of significant accounting policies

Basis of preparation

The financial statements for the year ended 31 March 2020 have been prepared on a going concern basis.

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payment, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets, compensation of key management personnel and related party transactions.

Consolidated financial statements for the largest group of undertakings are prepared by McKesson Corporation and may be obtained from McKesson Corporation, 6555 State Hwy 161, Irving, TX 75039, USA.

Consolidated financial statements for the smallest group of companies are prepared by McKesson Europe AG and may be obtained from McKesson AG Europe, Stockholmer Platz 1, 70173 Stuttgart, Germany. The immediate parent undertaking is Admenta Holdings Limited, a company registered in England and Wales. The ultimate parent undertaking and controlling party is McKesson Corporation, a company registered in The United States of America.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

Adoption of new accounting standards

In the current year, the Company has applied IFRS 16 Leases (as issued by the IASB in January 2016) that is effective for annual periods that begin on or after 1 January 2019.

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets when such recognition exemptions are adopted. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. The impact of the adoption of IFRS 16 on the Company's financial statements is described on the next page.

Barclay Pharmaceuticals Limited

Notes to the financial statements for the year ended 31 March 2020 (continued)

2 Summary of significant accounting policies (continued)

Adoption of new accounting standards (continued)

The Company has applied IFRS 16 using the cumulative catch-up approach which:

- requires the Company to recognise the cumulative effect of initially applying IFRS 16 as an adjustment to the opening balance of retained earnings at the date of initial application.
- does not permit restatement of comparatives, which continue to be presented under IAS 17 and IFRIC 4.

The change in definition of a lease mainly relates to the concept of control. IFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on 'risks and rewards' in IAS 17 and IFRIC 4.

The Company applies the definition of a lease and related guidance set out in IFRS 16 to all lease contracts entered into or changed on or after 1 January 2019 (whether it is a lessor or a lessee in the lease contract). In preparation for the first-time application of IFRS 16, the Company has carried out an implementation project. The project has shown that the new definition in IFRS 16 will not significantly change the scope of contracts that meet the definition of a lease for the Company.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as tablet and personal computers, small items of office furniture and telephones), the Company has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16. This expense is presented within the operating expenses line item.

The Company determines that no long-term leases were identified and therefore no changes to the financial statements.

In the current year, the Company has applied a number of amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after 1 January 2019. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IFRS 9 <i>Prepayment Features with Negative Compensation</i>	The Company has adopted the amendments to IFRS 9 for the first time in the current year. The amendments to IFRS 9 clarify that for the purpose of assessing whether a prepayment feature meets the 'solely payments of principal and interest' (SPPI) condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, financial assets with prepayment features with negative compensation do not automatically fail SPPI.
Annual Improvements to IFRS Standards 2015–2017 Cycle IAS 12 Income Taxes and IAS 23 Borrowing Costs	<p>The Company has adopted the amendments included in the Annual Improvements to IFRS Standards 2015–2017 Cycle for the first time in the current year. The Annual Improvements include amendments to four Standards, two of which in respect of IFRS 3 and IFRS 11 are not applicable to the Company.</p> <p>IAS 12 Income Taxes</p> <p>The amendments clarify that the Company should recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the Company originally recognised the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits.</p> <p>IAS 23 Borrowing Costs</p> <p>The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.</p>

Barclay Pharmaceuticals Limited

2 Summary of significant accounting policies (continued)

Adoption of new accounting standards (continued)

IFRIC 23 Uncertainty over Income Tax Treatments	<p>The Company has adopted IFRIC 23 for the first time in the current year. IFRIC 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Interpretation requires the Company to:</p> <ul style="list-style-type: none">• determine whether uncertain tax positions are assessed separately or as a group; and• assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings:<ul style="list-style-type: none">◦ If yes, the Company should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings. <p>If no, the Company should reflect the effect of uncertainty in determining its accounting tax position using either the most likely amount or the expected value method.</p>
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Going Concern

The financial statements of Barclay Pharmaceuticals Limited have been prepared on a going concern basis which assumes that the company will continue in existence for the foreseeable future.

The directors have received confirmation from the ultimate parent company that intergroup debt will continue to be made available at levels sufficient to allow the company to meet its liabilities as they fall due for a period not less than 12 months. The directors have satisfied themselves that the ultimate parent company has the necessary financial resources to provide this support during this period, should it be required. Therefore, the directors have a reasonable expectation that the company has adequate resources internally and through its association with the McKesson Corp, to continue in operational existence for the foreseeable future. As such, the going concern basis has been adopted in preparing the annual report and financial statements.

Revenue

Revenue originates from the sale of merchandise. The contract with the customer generally relates to a confirmed purchase order, which is to be completed under the agreed terms or the general terms and conditions of the company. Revenue is recognised when control of the goods is transferred to the customer, provided that the amount of revenue can be reliably measured and it is likely that economic benefits will flow to the company.

For the sale of goods, the customer obtains control at the point in time at which the goods are delivered. The transfer of control is not tied to the transfer of legal ownership. Deliveries of goods where past experience shows that returns should be expected are not recognised in income until the deadline for the return has expired. For expected returns a refund liability is recognized as well as a corresponding asset for the right to recover goods from customers.

Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date.

Current income tax relating to items recognised directly in equity or other comprehensive income is also recognised in equity or other comprehensive income, respectively, and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Barclay Pharmaceuticals Limited

Notes to the financial statements for the year ended 31 March 2020 *(continued)*

2 Summary of significant accounting policies *(continued)*

Taxes *(continued)*

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. This is unless where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted, or substantively enacted, at the reporting date.

Deferred tax relating to items recognised outside the income statement is recognised outside of the income statement. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, in particular whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Operating lease payments are recognised as an expense in the income statement as incurred.

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a first in first out basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Where necessary, allowance is made for obsolete, slow moving and defective inventory.

The company has not entered into any long-term contracts and has not assigned any of its inventories as collateral.

Barclay Pharmaceuticals Limited

Notes to the financial statements for the year ended 31 March 2020 *(continued)*

2 Summary of significant accounting policies *(continued)*

Financial assets

(i) Initial recognition and measurement

All financial assets are recognised initially at fair value. The company's financial assets include cash and cash equivalents, trade and other receivables.

(ii) Subsequent measurement

The subsequent measurement of financial assets depends on their classification. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the income statement. Any losses arising from impairment are recognised in the income statement in finance costs.

The company does not have any instruments held at fair value through profit and loss, held-to-maturity investments or available-for-sale financial assets.

(iii) Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the asset have expired.

(iv) Impairment of financial assets

The company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

If there is objective evidence that an impairment loss has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted using the financial assets original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the income statement.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

Barclay Pharmaceuticals Limited

Notes to the financial statements for the year ended 31 March 2020 *(continued)*

2 Summary of significant accounting policies *(continued)*

Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified as financial liabilities at fair value through profit or loss or as loans and borrowings. The company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings.

The company's financial liabilities include trade and other payables.

(ii) Subsequent measurement

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the EIR method amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance cost in the income statement.

(iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

(iv) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Currency translation

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the statement of financial reporting date are translated at the rates ruling at that date. Any such translation differences are taken to the income statement. Non-monetary items denominated in foreign currencies are translated using the historical rate.

Pensions

The company contributes to group pension schemes operated by Admenta UK Limited. The contributions by the company are treated as an expense as incurred.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered services entitling them to the contributions.

Barclay Pharmaceuticals Limited

Notes to the financial statements for the year ended 31 March 2020 *(continued)*

2 Summary of significant accounting policies *(continued)*

Management estimates and judgements

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The key assumptions concerning the future and other key sources of estimating uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

2.1 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The directors do not believe there are any critical judgements or key sources of estimation uncertainty in applying the company's accounting policies in the current year.

Barclay Pharmaceuticals Limited

Notes to the financial statements for the year ended 31 March 2020 *(continued)*

3 Revenue

Revenue represents cash and credit sales predominantly generated in the United Kingdom. Sales to Europe were £508,000 in the year to 31 March 2020 (2019: £1,536,000). Sales to the rest of the world were £237,000 in the year (2019: £88,000).

	2020 £'000	2019 £'000
Sale of goods	<u>250,191</u>	<u>255,948</u>

4 Directors' emoluments

For the year ended 31 March 2020 the directors did not receive any emoluments for their services to the company (2019: Nil). Their emoluments are paid by fellow subsidiaries, AAH Pharmaceuticals Limited and Lloyds Pharmacy Ltd, which has made no recharge to the company in respect of these payments. Emoluments and pension arrangements for the directors are included in the directors' emoluments disclosed in the financial statements of AAH Pharmaceuticals Limited and Lloyds Pharmacy Ltd.

5 Employee information

The average monthly number of persons (including executive directors) employed during the year was:

By function	2020 Number	2019 Number
Distribution	274	288
Administration	<u>52</u>	<u>35</u>
	<u>326</u>	<u>323</u>
Staff costs	£'000	£'000
Wages and salaries	5,837	5,812
Social security costs	496	565
Other pension costs	<u>218</u>	<u>166</u>
	<u>6,551</u>	<u>6,543</u>

6 Distribution costs and administrative expenses

	2020 £'000	2019 £'000
Staff costs	6,551	6,543
Other expenses	<u>6,802</u>	<u>7,210</u>
	<u>13,353</u>	<u>13,753</u>

Barclay Pharmaceuticals Limited

Notes to the financial statements for the year ended 31 March 2020 *(continued)*

7 Finance costs

	2020 £'000	2019 £'000
Finance costs		
Interest on amounts owing to other group companies	<u>325</u>	<u>370</u>

8 Operating profit/(loss)

Operating profit/(loss) is stated after charging the following:

	2020 £'000	2019 £'000
Staff costs	6,551	6,543
Cost of inventories recognised as an expense in cost of sales	233,485	243,380
Write down of inventories to net realisable value	469	248
Net forex loss charged to the profit and loss account	-	-

In the current year and prior year, the auditor's remuneration has been borne by AAH Pharmaceuticals Limited, a fellow subsidiary undertaking. Total auditor's remuneration for both companies for the year was £232,000 (2019: £232,000). No non-audit services were provided by the auditor in the current year or prior year.

Barclay Pharmaceuticals Limited

Notes to the financial statements for the year ended 31 March 2020 *(continued)*

9 Income tax credit

The major components of income tax charge/(credit) for the year ended 31 March 2020 are:

	2020 £'000	2019 £'000
Income statement:		
Current income tax:		
UK corporation tax at 19% (2019: 19%)	573	(300)
Adjustment in respect of previous years	(26)	-
	<u>547</u>	<u>(300)</u>
Deferred tax:		
Relating to origin and reversal of temporary differences	2	10
Adjustment in respect of previous years	-	(2)
	<u>2</u>	<u>8</u>
	<u>549</u>	<u>(292)</u>

The tax assessed on the profit/(loss) on ordinary activities for the year is lower (2019: lower) than the average rate of corporation tax in the UK of 19% (2019: 19%). The difference is reconciled below:

	2020 £'000	2019 £'000
Profit/(Loss) before tax	<u>3,028</u>	<u>(1,555)</u>
Profit/(Loss) before tax multiplied by the average rate of UK corporation tax of 19% (2019: 19%)	575	(295)
Adjustment in respect of previous years	(26)	(2)
Impact of change in tax rate	-	5
	<u>549</u>	<u>(292)</u>

A change to the main UK corporation tax rate was announced in the Budget on 3 March 2021. Legislation will be introduced in Finance Bill 2021 to set the main rate at 25% for the year beginning 1 April 2023. The deferred tax rate applicable from 31 March 2020 is 19% (2019: 17%).

Barclay Pharmaceuticals Limited

Notes to the financial statements for the year ended 31 March 2020 *(continued)*

9 Income tax credit *(continued)*

The movement in the year deferred tax asset are as follows:

	2020 £'000	2019 £'000
At the beginning of the year	22	30
Deferred tax movement in the income statement	(2)	(8)
At the end of the year	<u>20</u>	<u>22</u>

The deferred taxation asset recognised in the financial statements can be analysed as follows:

	2020 £'000	2019 £'000
Accelerated capital allowances	<u>20</u>	<u>22</u>
	<u>20</u>	<u>22</u>

10 Inventories

	2020 £'000	2019 £'000
Finished goods and goods for resale	<u>45,281</u>	<u>44,707</u>

In the reporting period inventories were written down by £469,000 (2019: £248,000). Reversals of impairment losses in 2020 were £264,000 (2019: £1,956,000).

11 Trade and other receivables

	2020 £'000	2019 £'000
Trade receivables from third parties	18,406	15,369
Amounts owed by other group companies	51,793	53,037
Other assets	8,977	7,992
Prepayments and accrued income	12	61
	<u>79,188</u>	<u>76,459</u>

All amounts are due within one year. The amounts owed by other group companies are unsecured, interest free and are without a fixed repayment date and are repayable on demand.

Barclay Pharmaceuticals Limited

Notes to the financial statements for the year ended 31 March 2020 *(continued)*

11 Trade and other receivables *(continued)*

As at 31 March 2020, trade and other receivables at initial value of £66,000 (2019: £37,000) were impaired and fully provided for. The table below presents the allowances on trade receivables, receivables from affiliated companies and the receivables contained in other assets:

	2020 £'000	2019 £'000
Allowances at 1 April	37	118
Additions	56	-
Reversals	(27)	(37)
Utilisations	-	(44)
Allowances at 31 March	<u>66</u>	<u>37</u>

In the case of the receivables that are not impaired, there is no indication that the debtors will not be able to meet their payment obligations.

12 Cash and cash equivalents

	2020 £'000	2019 £'000
Cash at bank and in hand	<u>1</u>	<u>-</u>

Barclay Pharmaceuticals Limited

Notes to the financial statements for the year ended 31 March 2020 *(continued)*

13 Trade and other payables

	2020 £'000	2019 £'000
Trade creditors	26,424	23,779
Amounts owed to other group companies	895	3,332
Amounts owed to parent	468	468
Amounts owed to tax authorities	11	11
	<u>27,798</u>	<u>27,590</u>

Amounts owed to parent and other group companies are unsecured and have no fixed repayment date other than that they are payable on demand. The amounts are either interest free or attract interest equivalent to the overall cost of borrowing for the UK group of 3.24% (2019: 3.69%). There are no undrawn borrowing facilities.

14 Other current liabilities

	2020 £'000	2019 £'000
Accruals and deferred income	3	49
Sales ledger credit balances	205	201
	<u>208</u>	<u>250</u>

15 Pension obligations

The company participates in a defined contribution group pension scheme operated by Admenta UK Limited (a parent company); the scheme is funded and constituted as an independently administered fund with its assets being held separately from those of the company.

Admenta UK Limited Pension Scheme

The contributions paid by the company to the scheme during the year amounted to £218,000 (2019: £166,000). Included in other creditors at the statement of financial position date were amounts of £nil in respect of contributions (2019: £nil).

16 Dividends

The amount of dividends proposed or declared before the financial statements were authorised for issue but not recognised are £nil (2019: £nil).

17 Shareholders' Capital

	2020 £'000	2019 £'000
Authorised, allotted, called and fully paid		
25,000,000 ordinary shares of £1 each	<u>25,000</u>	<u>25,000</u>

Barclay Pharmaceuticals Limited

Notes to the financial statements for the year ended 31 March 2020 *(continued)*

18 Lease commitments

There are no operating lease commitments at the balance sheet date.

19 Ultimate parent undertaking and ultimate controlling party

The immediate parent undertaking is Admenta Holdings Limited, a company registered in England and Wales.

The ultimate parent undertaking and controlling party of the Company is McKesson Corporation, a company registered in North America.

Consolidated financial statements for the largest group of undertakings are prepared by McKesson Corporation and may be obtained from its registered address McKesson Corporation, 6555 State Hwy 161, Irving, TX 75039, USA.

Consolidated financial statements for the smallest group of companies in which Barclay Pharmaceuticals Limited is included, are prepared by McKesson Europe AG and may be obtained from its registered address McKesson Europe AG is Stockholmer Platz 1, 70173 Stuttgart, Germany.

20 Events after the reporting period

The challenges of the Covid-19 pandemic continue to impact the business, although the directors believe that the long-term impact of this virus are not yet clear.