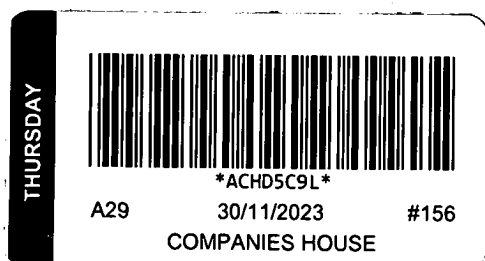


Company Registration No. 02961880 (England and Wales)

AVICENNA HOLDINGS LTD
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JULY 2023



AVICENNA HOLDINGS LTD

COMPANY INFORMATION

Directors	J I Power B Valla J H Wright
Secretary	J I Power
Company number	02961880
Registered office	Selsdon House 212-220 Addington Road South Croydon CR2 8LD
Auditor	RSM UK Audit LLP Chartered Accountants 1 St. James' Gate Newcastle upon Tyne United Kingdom NE1 4AD
Bankers	HSBC Bank PLC PO1 1EP 118 Commercial Road Portsmouth

AVICENNA HOLDINGS LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2023

The directors present their report and financial statements for the year ended 31 July 2023.

Principal activities

The principal activity of the company continued to be that of a group holding and management company, providing support and services to its retail pharmacist members.

Results and dividends

The results for the year are set out on page 6.

No ordinary dividends were paid (2022: £nil). The directors do not recommend payment of a final dividend.

Directors

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

N J Clark	(Resigned 31 March 2023)
S K E Jetha	(Resigned 10 December 2022)
J I Power	
B Valla	(Appointed 20 April 2023)
J H Wright	(Appointed 22 November 2023)

Qualifying third party indemnity provisions

The company provided qualifying third party indemnity provisions in respect of the directors and officers which were in force during the year and at the date of this report.

Auditor

The auditor, RSM UK Audit LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

Jake Wright

J H Wright
Director

28 November 2023

AVICENNA HOLDINGS LTD

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 JULY 2023

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVICENNA HOLDINGS LTD

Opinion

We have audited the financial statements of Avicenna Holdings Limited (the 'company') for the year ended 31 July 2023 which comprise Statement of Comprehensive Income, Statement of Financial Position and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities 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 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.

Material uncertainty related to going concern

We draw attention to note 1 of the financial statements which indicate that an uncertainty exists such that the company is reliant on the support of the group however the group have material uncertainties related to going concern. The group's and company's cashflow forecasts include a number of key assumptions with inherent uncertainties as to whether they can be achieved, including achieving an improved drug margin, disposal of stores and an improved performance of the core business.

These conditions, along with the other matters as set forth in note 1, indicate that material uncertainties exist that may cast significant doubt on the group's ability to continue as a going concern. However our opinion is not modified in respect of this matter.

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

Other information

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

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 this regard.

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVICENNA HOLDINGS LTD (CONTINUED)

Matters on which we are required to report by exception

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 material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2, 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVICENNA HOLDINGS LTD (CONTINUED)

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

The audit engagement team identified the risk of management override of controls and revenue recognition around cut off and valuation as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed in relation to the risk of management override of controls included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgements and estimates applied in the financial statements. In respect of revenue recognition cut off and valuation, audit procedures performed included but were not limited to testing revenue transactions around the year end to assess if they were recognised in the correct period and as well as testing revenue throughout the year to ensure recognised at the correct value.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

Steven Cleugh

Steven Cleugh FCCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
1 St. James' Gate
Newcastle upon Tyne
United Kingdom, NE1 4AD
28 November 2023

AVICENNA HOLDINGS LTD

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JULY 2023

	2023 £	2022 £
Turnover	2,471,397	1,796,307
Cost of sales	(908,401)	(759,760)
	<hr/>	<hr/>
Gross profit	1,562,996	1,036,547
Administrative expenses	(535,059)	(629,668)
Exceptional item 2	(534,034)	(5,673,784)
	<hr/>	<hr/>
Operating profit/(loss)	493,903	(5,266,905)
Interest receivable and similar income	10,563	614
	<hr/>	<hr/>
Profit/(loss) before taxation	504,466	(5,266,291)
Tax on profit/(loss)	(68,896)	66,219
	<hr/>	<hr/>
Profit/(loss) for the financial year	<u>435,570</u>	<u>(5,200,072)</u>

AVICENNA HOLDINGS LTD**STATEMENT OF FINANCIAL POSITION****AS AT 31 JULY 2023**

	Notes	2023 £	£	2022 £	£
Fixed assets					
Investments	4		9,643,331		9,727,365
Current assets					
Debtors	5	2,836,173		1,778,175	
Cash at bank and in hand		187,175		229,814	
		<u>3,023,348</u>		<u>2,007,989</u>	
Creditors: amounts falling due within one year	6	<u>(924,308)</u>		<u>(428,553)</u>	
Net current assets			<u>2,099,040</u>		<u>1,579,436</u>
Total assets less current liabilities			<u>11,742,371</u>		<u>11,306,801</u>
Capital and reserves					
Called up share capital			4,627,272		4,627,272
Share premium account	7		13,815		13,815
Capital redemption reserve	7		53,081		53,081
Profit and loss reserves	7		<u>7,048,203</u>		<u>6,612,633</u>
Total equity			<u>11,742,371</u>		<u>11,306,801</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 28 November 2023 and are signed on its behalf by:

Jake Wright

J H Wright
Director

AVICENNA HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

1 Accounting policies

Company information

Avicenna Holdings Ltd (the 'company') is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Selsdon House, 212-220 Addington Road, South Croydon, CR2 8LD.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling (£), which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Group accounts exemption

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Going concern

The company is reliant on the support of its ultimate parent company and the wider group to ensure it meets its liabilities as they fall due.

During the year, the Group was financed through investments from shareholders and external bank loans, and meets its day to day working capital commitments through trading cashflow generated from the business. The bank loan arrangement contains financial covenants which are monitored and reported on a quarterly basis. The bank loan arrangement is due for re-negotiation in December 2024.

The Directors have produced Group cashflow forecasts for the period to 31 July 2025. This forecast is based upon the budget for the Group for the year ended 31 July 2024, along with the business plan for the period up to 31 July 2025. The budget and business plan assumes growth in core revenue lines, in part due to a decline in the number of pharmacies within the sector which will lead to an increase in footfall within The Group's stores, as well as a renewed focus on individual store performance. The budget and business plan also assume an increase in funding for the community pharmacy sector from the government, for both existing services as well as further funding for additional services. There is also an assumption that a number of non-core stores will be disposed of, with the proceeds being used to reduce the leverage of the Group. The activity assumed in the budget and the business plan results in covenants being forecast to be achieved in all quarters and a significant reduction in the debt position by the date the bank loan arrangement is due for re-negotiation.

However, there is material uncertainty regarding the delivery of the Group's cashflow forecasts in respect of an assumed drug margin which is based on re-imbursements from the NHS, the exact value and timing of cashflow proceeds for disposed stores being subject to NHS clearance as well as delivery of an improved performance of the core business. Nonachievement of the forecasts could result in debt covenants being breached and additional finance being required.

In addition, whilst the Directors believe the bank loan arrangement will be refinanced by December 2024, a material uncertainty exists as this has not yet been agreed and the level the Group will be able to be refinance its external debt has also not yet been set. Therefore, there is a risk that appropriate funding will not be obtained as required by the forecasts.

AVICENNA HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

1 Accounting policies (Continued)

However, the Directors are confident that the forecasts will be achieved and the increased funding from the NHS should put the pharmacy sector on a sounder footing. As a result, the Directors believe the projected financial performance will support the bank loan arrangement being re-negotiated at an appropriate level and in accordance with the existing timetable and therefore, that the wider group can continue to support company.

Therefore the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and operate within its borrowing facilities and covenants for the period 12 months from date of signature. Accordingly, the financial statements continue to be prepared on the going concern basis.

Turnover

Turnover from supplier rebates is recognised and accrued when the corresponding purchase is recognised. This is done on an estimates basis based on purchasing volumes, and correcting adjustments are made when the rebates are received from suppliers, usually at the end of 3 months.

Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand and deposits held at call with banks.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors, amounts due from group undertakings and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

AVICENNA HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

1 Accounting policies (Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors and amounts owed to group undertakings, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

- Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

AVICENNA HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

1 Accounting policies (Continued)

Deferred tax is recognised on income and expenses from subsidiaries that will be assessed to or allow for tax in a future period except where the company is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

2 Exceptional items

	2023 £	2022 £
Expenditure		
Impairment of investments	84,034	5,673,784
Intercompany balance write off	450,000	-
	<u>534,034</u>	<u>5,673,784</u>

3 Auditors remuneration

The audit fees of the company for the period were £6,000 (2022: £4,950).

Non- audit fees for the period were £2,450 (2022: £2,200).

4 Fixed asset investments

	2023 £	2022 £
Shares in group undertakings and participating interests	<u>9,643,331</u>	<u>9,727,365</u>

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 August 2022 & 31 July 2023	<u>15,401,149</u>
Impairment	
At 1 August 2022	5,673,784
Impairment losses	84,034
At 31 July 2023	<u>5,757,818</u>
Carrying amount	
At 31 July 2023	<u>9,643,331</u>
At 31 July 2022	<u>9,727,365</u>

The investment in AMG Healthcare Limited of £9,730,365 was impaired by £84,034 to bring in line with the net assets of the subsidiary at 31 July 2023 and the directors consider this recoverable.

The impairment has been included in current year profit and loss account within exceptional items (note 2).

AVICENNA HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

5 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	198,188	279,613
Amounts owed by group undertakings	2,460,755	1,313,023
Other debtors	177,230	116,643
	<u>2,836,173</u>	<u>1,709,279</u>
Deferred tax asset	-	68,896
	<u>2,836,173</u>	<u>1,778,175</u>

6 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	221	-
Amounts owed to group undertakings	7,150	7,800
Taxation and social security	116,372	100,394
Other creditors	800,565	320,359
	<u>924,308</u>	<u>428,553</u>

7 Reserves

Share premium

Consideration received for shares issued above their nominal value net of transaction costs.

Capital redemption reserve

The nominal value of shares repurchased and still held at the end of the reporting period.

Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

8 Parent company

The company's immediate parent company is Avicenna Limited, a company incorporated in England and Wales.

The parent of the smallest group, for which consolidated accounts are drawn up, of which Avicenna Holdings Limited is a member is Avicenna Limited, a company incorporated in England and Wales. Its registered office is Selsdon House, 212-220 Addington Road, South Croydon, CR2 8LD.

The parent of the largest group, for which consolidated accounts are drawn up, of which Avicenna Holdings Limited is a member is Avicenna Topco Limited, a company incorporated in England and Wales. Its registered office is Selsdon House, 212-220 Addington Road, South Croydon, CR2 8LD.

The directors consider that there is no ultimate controlling party.