Registered number: 03626868

DURBIN PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

DURBIN PLC

COMPANY INFORMATION

Directors	T Dolphin P Dempsey (resigned 20 May 2022) S Taaffe (appointed 20 May 2022) L Morgan (resigned 14 April 2023)
Company secretary	A McCarthy
Registered number	03626868
Registered office	6th Floor One London Wall London United Kingdom EC2Y 5EB
Independent auditor	PricewaterhouseCoopers Chartered Accountants and Statutory Audit Firm One Spencer Dock North Wall Quay Dublin 1 D01 X9R7
Bankers	Barclays Bank North West London Team First Floor Acorn House 36-38 Park Royal Road London NW10 7JA
Solicitors	Osborne Clarke One London Wall London EC2Y 5EB

DURBIN PLC

CONTENTS

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

The directors present their strategic report for the year ended 31 December 2022.

Business review

Durbin plc is a global service provider within the pharmaceutical and healthcare sector, sourcing and supplying speciality pharmaceutical products and consumable supplies for hospitals, pharmacies, and international health charity and aid agencies. By having a strong service-based culture, Durbin prides itself on providing an innovative range of specialist distribution services to our global customer base.

During 2022, revenue was down at £42,187,320 from £54,585,964, with gross margin percentage improving to 20.1% from 16.1% as the Company focuses on higher margin contracts. At the end of the year the Company was in a net liability position of £932,226 with a loss for the financial year of £2,883,640.

Principal risks and uncertainties

The principal risks and uncertainties of the Company are outlined below:

Economic conditions

During the year, global macroeconomic uncertainty has increased as a result of increasing inflation, rising interest rates and the ongoing war in Ukraine. These factors, in addition to Brexit, have put pressure on the business and the wider industry in terms of increasing costs and supply chain challenges. However, the pharmaceutical supply industry remains strong with sales volumes remaining robust and growth being experienced in many categories.

The Company closely monitors global political and economic conditions and responds quickly to any changes in circumstances or events.

Covid-19

The risk from Covid-19 has subsided through 2022 but there is still a risk that other variants or pandemics may arise in the future. Such a pandemic could severely impact our financial results or cause supply chain disruption that would impact the business and its operations. The Company continues to monitor the preparedness of the business for another pandemic to ensure that appropriate response strategies are in place.

Directors' statement of compliance with duty to promote the success of the Company

The board of directors of Durbin plc consider, both individually and together, that they have acted in the way they consider, in good faith, to promote the success of the Company for the benefit of its members as a whole in the decisions taken during the year ended 31 December 2022.

This report was approved by the board and signed on its behalf.

T Dolphin
Director
Date: 20 April 2023

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the audited financial statements for the year ended 31 December 2022.

Directors' responsibilities statement

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

Company law requires the directors to prepare audited financial statements for each financial year. Under that law the directors have elected to prepare the audited financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the audited 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 audited 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the audited 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 to enable them to ensure that the audited 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.

Results and dividends

The loss for the year, after taxation, amounted to £2,883,640 (2021 - loss £2,716,867).

The Company does not propose payment of an ordinary dividend (2021: £Nil).

Directors

The directors who served during the year were:

T Dolphin
P Dempsey (resigned 20 May 2022)
S Taaffe (appointed 20 May 2022)
L Morgan (resigned 14 April 2023)

Going concern

The Company has net current liabilities at 31 December 2022 of £8,944,007 and shareholders' deficit of £932,226. The directors have made appropriate enquiries and carried out a review of the Company's forecasts, projections, available banking facilities and committed support from its ultimate parent, taking account of possible changes in trading performance and considering business risk. This analysis has taken into account our experience to date of Covid-19 and the knock on impacts of the war in Ukraine.

Having regard to the factors noted above, in particular the committed support available from the Company's ultimate parent, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being a period of 12 months from the date of approval of these financial statements. As a result, the directors believe that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

Future developments

The directors have no plans to alter the activities or operations of the Company.

Branches outside the United Kingdom

The Company does not have any existing branches outside of the United Kingdom.

Financial risk management

The Company has a normal level of exposure to price, credit, liquidity, foreign currency and cash flow risks arising from trading activities. The Company aims to mitigate these risks through the adoption of centralised group risk management policies.

Research and development activities

The Company was not engaged in any research and development activities during the year.

Engagement with suppliers, customers and others

The Company strives to foster business relationships with suppliers, customers and other stakeholders, with the directors having regard for this in terms of the principal decisions undertaken during the year. With the impact of Brexit in particular, the Company continues to engage with suppliers and customers to minimise disruption to its business relationships.

Greenhouse gas emissions, energy consumption and energy efficiency action

During the year the Company's energy usage arising from operating activities was as follows:

UK energy use:	**2022**
- Electricity	730,757 kWh
- Natural Gas	57,846 kWh

The directors continuously strive to identify new measures to improve the Company's energy efficiency.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the company since the year end.

Auditor

The auditor, PricewaterhouseCoopers, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

T Dolphin
Director
Date: 20 April 2023

pwc

Independent auditors' report to the members of Durbin Plc

Report on the audit of the financial statements

Opinion

In our opinion, Durbin Plc's financial statements:

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

We have audited the financial statements, included within the Annual Report and Financial Statements, which comprise:

- the Balance sheet as at 31 December 2022
- the Statement of comprehensive income for the year then ended;
- the Statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

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

pwc

Reporting on other information

The other information comprises all of the information in the Annual Report and Financial Statements other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

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

Strategic report and Directors' Report

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

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the applicable healthcare regulations and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions. Audit procedures performed by the engagement team included:

- Discussions with the senior members of management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Inspection of meeting minutes of the Board of directors;
- Identifying and testing journal entries, including non standard revenue entries based on our risk assessment;
- Challenging assumptions and judgements made by management in determining significant accounting estimates; and
- Incorporating elements of unpredictability into the audit procedures performed.

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Damian Byrne

Damian Byrne (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Auditors
Dublin
20 April 2023

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Revenue	4	42,187,320	54,585,964
Cost of sales		(33,725,988)	(45,806,226)
Gross profit		8,461,332	8,779,738
Distribution costs		(1,592,690)	(1,620,878)
Administrative expenses		(10,195,007)	(10,367,268)
Other operating income	5	-	4,500
Exceptional other operating charges	6	(202,040)	(78,688)
Operating loss	7	(3,528,405)	(3,282,596)
Interest receivable and similar income	11	49,288	1,573
Finance costs	12	(106,612)	(88,958)
Loss before tax		(3,585,729)	(3,369,981)
Tax on loss	13	702,089	653,114
Loss for the financial year		(2,883,640)	(2,716,867)

There was no other comprehensive income for 2022 (2021:£NIL).

The notes on pages 12 to 36 form part of these financial statements.

DURBIN PLC
REGISTERED NUMBER:03626868

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note		2022 £		2021 £
Fixed assets					
Intangible assets	14		30,886		4,503
Property, plant and equipment	15		2,723,281		3,861,228
Investments	16		8,341,422		8,341,422
			11,095,589		12,207,153
Current assets					
Stocks	17	7,457,947		3,029,806	
Trade and other receivables	18	16,595,572		13,709,523	
Cash at bank and in hand	19	7,292,263		17,838,783	
		31,345,782		34,578,112	
Creditors: amounts falling due within one year	20	(40,289,789)		(41,209,094)	
Net current liabilities			(8,944,007)		(6,630,982)
Total assets less current liabilities			2,151,582		5,576,171
Creditors: amounts falling due after more than one year	21	(1,581,591)		(2,205,263)	
Provisions	24	(1,502,217)		(1,484,075)	
Net (liabilities)/assets			(932,226)		1,886,833
Capital and reserves					
Called up share capital	25		50,000		50,000
Other reserves	26		64,581		-
Profit and loss account	26		(1,046,807)		1,836,833
Shareholders' (deficit)/funds			(932,226)		1,886,833

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

T Dolphin
Director

Date: 20 April 2023

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

	Called up share capital	Capital contribution	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2022	50,000	-	1,836,833	1,886,833
Comprehensive expense for the year				
Loss for the year	-	-	(2,883,640)	(2,883,640)
Total comprehensive expense for the year	-	-	(2,883,640)	(2,883,640)
Share based payment charge	-	64,581	-	64,581
At 31 December 2022	50,000	64,581	(1,046,807)	(932,226)

The notes on pages 12 to 36 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2021	50,000	4,553,700	4,603,700
Comprehensive expense for the year			
Loss for the year	-	(2,716,867)	(2,716,867)
Total comprehensive expense for the year	-	(2,716,867)	(2,716,867)
At 31 December 2021	50,000	1,836,833	1,886,833

The notes on pages 12 to 36 form part of these financial statements.

1. General information

Durbin plc is a public Company limited by shares, incorporated in the United Kingdom. The address of its registered office is 6th Floor, One London Wall, London, United Kingdom, EC2Y 5EB. The registered number of the Company is 03626868.

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Uniphar plc. Copies of Uniphar plc consolidated financial statements can be obtained from the company secretary of Uniphar plc at 4045 Kingswood Road, Citywest Business Park, Co. Dublin, D24 V06K, Ireland.

These financial statements are the Company's separate financial statements for the year beginning 1 January 2022 and ending 31 December 2022.

2. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS101") and the Companies Act 2006.

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

The Company have elected not to present consolidated financial statements as the Company is a subsidiary of a parent group that prepares consolidated financial statements that includes the company and its subsidiary.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

2. Accounting policies (continued)

2.3 Going concern

The Company has net current liabilities at 31 December 2022 of £8.9 million and shareholder's deficit of £0.9 million. The directors have made appropriate enquiries and carried out a review of the Company's forecasts, projections available, banking facilities and committed support from its ultimate parent, taking account of possible changes in trading performance and considering business risk. This analysis has taken into account our experience to date of the Covid-19 pandemic, the present situation and our best estimate for the related future outlook.

Having regard to the factors noted above, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being a period of 12 months from the date of approval of these financial statements. As a result, the directors believe that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

2.4 New standards, amendments and interpretations

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2022:

- Amendments to IFRS 3, 'Business combinations' reference to the conceptual framework
- Amendments to IAS 16, 'Property, plant and equipment' proceeds before intended use
- Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets' cost of fulfilling a contract
- Annual improvements to IFRS standards 2018-2020

These amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2.5 New standards and interpretations not yet adopted

The following accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting period and have not been early adopted by the Company:

- Amendments to IAS 1, 'Presentation of financial statements', on classification of liabilities
- Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies
- Amendments to IAS 8, Definition of Accounting Estimate
- Amendment to IAS 12, Deferred tax related to assets and liabilities arising from a single transaction
- IFRS 17 Insurance Contracts
- Amendments to IFRS 16, Lease Liability in a Sale and Leaseback
- Amendments to IAS 1, Non-current Liabilities with Covenants

These standards are not expected to have a material impact in the current or future reporting periods and on foreseeable future transactions.

2. Accounting policies (continued)

2.6 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'Cost of sales'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'Administrative expenses'.

2. Accounting policies (continued)

2.7 Revenue

Revenue is the amount of revenue derived from the provision of goods falling within the Company's ordinary activities after deduction of trade discounts and value-added tax. Revenue comprises that arising from the distribution of goods.

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied, net of returns, discounts and rebates allowed by the Company and value added taxes.

The Company bases its estimate of returns, discounts and rebates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Where the consideration receivable in cash or cash equivalents is deferred, and the arrangement constitutes a financing transaction, the fair value of the consideration is measured as the present value of all future receipts using the imputed rate of interest.

In certain of the Company's contracts where another party is involved in providing goods or services to its customer, the Company determines whether it is a principal or an agent in these transactions by evaluating the nature of its promise to the customer. The Company is a principal and records revenue on a gross basis if it controls the promised goods or services before transferring them to the customer. In circumstances where the Company's role is only to arrange for another entity to provide the goods or services, then the Company is an agent and revenue is recognised at the net amount that it retains for its agency services.

The Company recognises its revenue in the amount of the price expected to be received for goods supplied at a point in time or over time, as contractual performance obligations are fulfilled, and control of goods and services passes to the customer.

Sale of goods
Sales of goods are recognised on despatch to the customer, and there is no unfulfilled performance obligation that could affect the customer's acceptance of the product. Despatch occurs when the goods have been shipped to the location specified by the customer, the risks of obsolescence or loss have been transferred to the customer, the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed or the company has objective evidence that all criteria for acceptance have been satisfied. Sales are normally made with credit terms of 30 days.

Sale of services
Revenue from service contracts is recognised in the financial year in which the services are rendered and when the outcome of the contract can be estimated reliably.

Deferred revenue includes service revenue billed in advance of the revenue being recognised.

2.8 Leases

The Company leases various classes of assets. Rental contracts are typically made for fixed periods of 1 to 30 years but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the

2. Accounting policies (continued)

2.8 Leases (continued)

liability and finance cost. The finance cost is charged to the Statement of comprehensive income over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the right-of-use assets useful life on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:
• fixed payments (including in-substance fixed payments), less any lease incentives receivable;
• variable lease payment that are based on an index or a rate;
• amounts expected to be payable by the lessee under residual value guarantees;
• the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
• payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Right-of-use assets are measured at cost comprising the following:
• the amount of the initial measurement of lease liability;
• any lease payments made at or before the commencement date less any lease incentives received;
• any initial direct costs; and
• restoration costs.

Extension and termination options are included in a number of property and equipment leases. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.

Payments associated with leases of low-value assets are recognised on a straight-line basis as an expense in the Statement of comprehensive income.

Low-value assets comprise of computer equipment and small items of office furniture.

2.9 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.10 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2. Accounting policies (continued)

2.11 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.12 Current and deferred taxation

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the country where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Current and deferred tax is recognised in the Statement of comprehensive income, except to the extent that it relates to items recognised in Other comprehensive income or directly in equity. In this case, the tax is also recognised in Other comprehensive income or directly in equity, respectively

2.13 Exceptional other operating charges

With respect to exceptional other operating charges, the Company has applied a Statement of comprehensive income format that seeks to highlight significant items within the Company results for the year. The Company exercises judgement in assessing the particular items which, by virtue of their scale and nature, should be disclosed in the Statement of comprehensive income and related notes as exceptional items.

2. Accounting policies (continued)

2.14 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

The estimated useful lives range as follows:

Computer software	-	3-5 years

Computer Software
Computer software, including computer software which is not an integrated part of an item of computer hardware, is stated at cost less any accumulated amortisation and any accumulated impairment losses. Cost comprises purchase price and any other directly attributable costs.

Computer software is recognised if it meets the following criteria:

- an asset can be separately identified;
- it is probable that the asset created will generate future economic benefits;
- the development cost of the asset can be measured reliably;
- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Costs relating to the development of computer software for internal use are capitalised once the recognition criteria outlined above are met. Computer software is amortised over its expected useful life of 3-5 years, by charging equal instalments to the Statement of comprehensive income from the date the assets are ready for use.

2.15 Property, plant and equipment

Property, plant and equipment under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

2. Accounting policies (continued)

2.15 Property, plant and equipment (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Buildings	- 50 years
Plant and machinery	- 3 - 10 years
Fixtures and fittings	- 3 - 5 years

Property, plant and equipment recognised as a right-of-use asset in accordance with IFRS 16 is depreciated over the right-of-use asset's useful life on a straight-line basis.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.16 Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.17 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimate selling price less costs to complete and sell. Cost comprises expenditure incurred in the normal course of business bringing stocks to their present location and condition.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of comprehensive income

2.18 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2. Accounting policies (continued)

2.19 Trade and other receivables

Short term trade and other receivables are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.20 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.21 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.22 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.23 Financial instruments

(i) Classification
The Company classifies its financial assets in the following measurement categories:
• those to be measured subsequently at fair value (either through OCI or through Profit or loss), and
• those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

(ii) Recognition and derecognition
Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

(iii) Measurement
At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through the Statement of comprehensive income, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial

2. Accounting policies (continued)

2.23 Financial instruments (continued)

assets carried at fair value through the Statement of comprehensive income are expensed in the Statement of comprehensive income.

Debt instruments
Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company can classify its debt instruments:

Amortised cost
Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the Statement of comprehensive income and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the Statement of comprehensive income.

Fair value through other comprehensive income (FVOCI)
Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the Statement of comprehensive income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the Statement of comprehensive income.

Fair value through profit or loss (FVPL)
Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in the Statement of comprehensive income in the period in which it arises.

Loans and receivables
Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Impairment
The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2. Accounting policies (continued)

2.24 Employee benefits

The Company provides a range of benefits to employees, including short term employee benefits such as annual bonus arrangements and paid holiday arrangements and post-employment benefits (in the form of defined contribution pension plans).

Short term employee benefits:
Short term employee benefits, including wages and salaries, paid holiday arrangements and other similar non-monetary benefits, are recognised as an expense in the financial year in which employees render the related service. The Company operates an annual bonus plan for employees. An expense is recognised in the Statement of comprehensive income when the Company has a present legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

Defined contribution pension plan:
The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations. The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

Share-based payments
The grant-date fair value of equity-settled share-based payment arrangements granted to employees of the Company in Uniphar PLC is recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

The fair value of the amount payable to employees of the Company in respect of cash LTIP awards, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the cash LTIP awards. Any changes in the liability are recognised in the Income Statement.

2.25 Share Capital

Ordinary shares are classified as equity. Proceeds from the issue of ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are recognised directly in retained earnings within equity, net of any tax effects.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

Information about critical estimates and judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

Useful economic lives of property, plant and equipment
Determining the useful life of property, plant and equipment requires judgement. Management regularly reviews the useful economic lives and residual values. They are amended when necessary to reflect current estimates, based on technological advancement, economic utilisation and the physical condition of the assets. See note 15 for the carrying amount of the property, plant and equipment, and the depreciation charge for each class of asset, and the accounting policies for the useful economic lives for each class of asset.

Deferred contingent consideration
Deferred consideration is an estimate of the balance that is owed to previous owners of Devonshire Healthcare Services Limited. This balance is based on the directors best estimate of consideration payable based on financial performance during an earn out period discounted back to present value. Refer to note 24 for further information on deferred contingent consideration.

Impairment of trade and other receivables
The directors make an assessment at the end of each financial year of whether there is objective evidence that a trade receivable or other receivable is impaired. When assessing impairment of trade and other receivables, the directors consider factors including the current credit rating of the trade receivable, the age profile of outstanding invoices, recent correspondence, trading activity and historical experience of cash collections from the receivable. See note 18 for the net carrying amount of the receivables and the impairment loss recognised in the financial year.

Impairment of stock
The Company sells a wide range of pharmaceutical products. As a result it is necessary to consider the recoverability of the carrying amount of stocks at the end of each financial year. When calculating any stock impairment, the directors consider the nature and condition of the stocks, current estimated selling prices, as well as applying assumptions around anticipated saleability of goods held for resale. See note 17 for the net carrying amount of the stock at year end.

Income taxes
Provisions for taxes require judgement and estimation in interpreting tax legislation, current case law and the uncertain outcomes of tax audits and appeals. Where the final outcome of these matters differs from the amounts recognised, differences will impact the tax provisions once the outcome is known. In addition, the Company recognised deferred tax assets, mainly relating to unused tax losses, when it is probable that the assets will be recovered through future profitability and tax planning. The assessment of recoverability involves judgement. Further information is contained in note 13 and note 23.

IFRS 16 "Leases"
IFRS 16 "Leases" required management judgement in the selection of the appropriate discount rates to be used in the discounting of the expected future payments to present value. The discount rate applied is the interest rate implicit in the lease, if that rate can be determined, or the Company's incremental borrowing rate which is calculated using a portfolio approach, based on the nature of the lease. Further information is contained in note 22.

Carrying value of financial investments
In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on an estimate of future cash flows expected to arise from the CGUs and these

3. *Judgements in applying accounting policies (continued)*

are discounted to net present value using an appropriate discount rate. In calculating recoverable amount, management judgement is required in forecasting cash flows of CGUs, in determining terminal growth values and in calculating an appropriate discount rate.

4. Revenue

An analysis of revenue by class of business is as follows:

	2022 £	2021 £
Sale of goods	32,578,122	45,922,565
Rendering of services	1,624,479	1,623,914
Revenue as agent	7,984,719	7,039,485
	42,187,320	54,585,964

Analysis of revenue by country of destination:

	2022 £	2021 £
United Kingdom	19,524,000	22,226,589
Rest of Europe	10,472,270	17,271,958
Asia	3,481,694	1,207,835
Middle East	2,944,467	2,505,992
North America	2,886,353	6,626,866
Africa	1,780,730	3,392,210
Rest of the World	1,097,806	1,354,514
	42,187,320	54,585,964

5. Other operating income

	2022 £	2021 £
Gain on disposal of assets	-	4,500
	-	4,500

6. Exceptional other operating charges

	2022 £	2021 £
Restructuring costs	202,040	78,688
	202,040	78,688

Exceptional other operating charges in the year relate to the ongoing restructuring of the Company, which are primarily of redundancy costs and the impact of the change in the discount rate applied to compute the present value of the liability in the deferred consideration of a recent acqusition.

7. Operating loss

The operating loss is stated after charging/(crediting):

	2022 £	2021 £
Depreciation (note 15)	1,270,558	1,493,831
Other operating income (note 5)	-	(4,500)
Amortisation (note 14)	6,156	5,748
Impairment of trade receivables	106,641	187,706
Impairment of stocks (included within cost of sales)	609,752	230,123
Exchange losses	274,353	417,011
Defined contribution pension cost (note 27)	117,570	104,750

8. Auditors' remuneration

Auditors' remuneration of £39,963 (2021: £Nil) is borne by the parent company, Uniphar plc, and recharged to the Company.

9. Employees

Staff costs, including directors' remuneration, were as follows:

	2022 £	2021 £
Wages and salaries	4,775,477	4,512,343
Social security costs	536,404	485,067
Defined contribution pension costs (note 27)	117,570	104,750
Other compensation costs	202,040	78,688
	5,631,491	5,180,848

The average monthly number of employees, including the directors, during the year was as follows:

	2022 No.	2021 No.
Selling, distribution and warehouse	70	66
Administration	27	39
	97	105

10. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	80,000	100,000
	80,000	100,000

The highest paid director had an entitlement to remuneration of £80,000 (2021 - £100,000).

Directors' remuneration relates to the services of one executive director only. The services of the other executive directors along with certain supporting staff are charged to the Company as part of a management services charge from the parent undertaking, Uniphar plc.

11. Interest receivable and similar income

	2022 £	2021 £
Interest on bank deposits	49,288	1,573
	49,288	1,573

12. Finance costs

	2022 £	2021 £
Fair value adjustment to deferred contingent consideration (note 24)	29,686	-
Interest on lease liabilities (note 22)	76,926	88,958
	106,612	88,958

13. Tax on loss

	2022 £	2021 £
Total current tax	-	-
Deferred tax		
Property, plant and equipment	(69,260)	(108,639)
Tax losses	(632,829)	(544,475)
Total deferred tax	(702,089)	(653,114)
Tax credit on loss	(702,089)	(653,114)

13. Tax on loss (continued)

Factors affecting tax credit for the year

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Loss before tax	(3,585,729)	(3,369,981)
Loss before tax by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	(681,289)	(640,296)
Effects of:		
Expenses not deductible for tax purposes	14,690	36,567
Depreciation for the year in excess of capital allowances	76,930	126,655
Other timing differences	-	(41,489)
Tax losses	589,669	518,563
Deferred tax on timing differences	(702,089)	(653,114)
Total tax credit for the year	(702,089)	(653,114)

Factors that may affect future tax charges

From 1 April 2023, the standard rate of corporation tax in the UK will increase to 25%.

14. Intangible assets

	Computer software £
Cost	
At 1 January 2022	17,251
Additions	32,539
At 31 December 2022	49,790
Accumulated amortisation	
At 1 January 2022	12,748
Amortisation for the year	6,156
At 31 December 2022	18,904
Net book value	
At 31 December 2022	30,886
At 31 December 2021	4,503

15. Property, plant and equipment

	Buildings £	Plant and machinery £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 January 2022	4,191,765	2,207,895	2,418,921	8,818,581
Additions	-	11,884	120,727	132,611
At 31 December 2022	4,191,765	2,219,779	2,539,648	8,951,192
Depreciation				
At 1 January 2022	1,311,595	1,740,429	1,905,329	4,957,353
Charge for the year on owned assets	-	272,910	364,362	637,272
Charge for the year on right-of-use assets	633,286	-	-	633,286
At 31 December 2022	1,944,881	2,013,339	2,269,691	6,227,911
Net book value				
At 31 December 2022	2,246,884	206,440	269,957	2,723,281
At 31 December 2021	2,880,170	467,466	513,592	3,861,228

The net book value of owned and leased assets included as "Property, plant and equipment" in the Balance sheet is as follows:

	2022 £	2021 £
Owned assets	476,397	981,058
Right-of-use assets	2,246,884	2,880,170
	2,723,281	3,861,228

Information about right-of-use assets is summarised below:

Net book value

	2022 £	2021 £
Buildings	2,246,884	2,880,170
	2,246,884	2,880,170

15. Property, plant and equipment (continued)

Depreciation charge for the year ended

	2022 £	2021 £
Buildings	633,286	592,249
	633,286	592,249

Additions to right-of-use assets in the year amounted to £Nil (2021: £615,569)

16. Investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2022	8,341,422
At 31 December 2022	8,341,422

Subsidiary undertaking

The following subsidiary undertaking of the Company was acquired in December 2021:

Name	Registered office	Principal activity	Class of shares	Holding
Devonshire Healthcare Services Ltd	6th Floor, One London Wall, London EC2Y 5EB, United Kingdom	Pharmaceuticals & hospital supplies	Ordinary	100%

Management have assessed for any indicators of impairment and none have been noted.

17. Stocks

	2022 £	2021 £
Finished goods and goods for resale	7,457,947	3,029,806
	7,457,947	3,029,806

Stocks are stated after provision for impairment of £506,892 (2021 - £925,795).

There are no material differences between the replacement cost of stock and the Balance sheet amounts.

18. Trade and other receivables

	2022 £	2021 £
Due after more than one year		
Deferred tax asset (note 23)	993,255	852,889
	993,255	852,889
Due within one year		
Trade receivables	12,331,570	8,736,372
Amounts owed by group undertakings	2,425,580	2,452,950
Other receivables	535,833	1,286,708
Prepayments and accrued income	246,128	317,904
Corporation tax recoverable	63,206	62,700
	16,595,572	13,709,523

Trade receivables are stated less provision for impairment of £218,642 (2021: £355,250).

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Included within other receivables is VAT recoverable of £235,263 (2021: £296,168)

19. Cash at bank and in hand

	2022 £	2021 £
Cash at bank and in hand	7,292,263	17,838,783
	7,292,263	17,838,783

20. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	21,177,885	19,535,756
Amounts owed to group undertakings	13,298,040	15,352,627
Other taxation and social security	128,113	159,824
Lease liabilities (note 22)	706,574	701,426
Other creditors	79,165	764,657
Accruals and deferred income	4,900,012	4,694,804
	40,289,789	41,209,094

Trade and other creditors are payable at various dates in the three months after the end of the financial year in accordance with the creditors usual and customary credit terms.

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Included in other taxation and social security is PAYE and NIC of £128,113 (2021: £159,824).

21. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Lease liabilities (note 22)	1,581,591	2,205,263
	1,581,591	2,205,263

22. Leases

Company as a lessee

Right of use assets are included within the line 'Property, plant and equipment' on the Balance sheet, and are presented within note 15.

Lease liabilities are due as follows:

	2022 £	2021 £
Current (note 20)	706,574	701,426
Non-current (note 21)	1,581,591	2,205,263
	2,288,165	2,906,689

The following amounts in respect of leases, where the Company is a lessee, have been recognised in profit or loss:

	2022 £	2021 £
Interest expense on lease liabilities (note 12)	76,926	88,958

23. Deferred taxation

	2022 £
At beginning of year	852,889
Recognised in statement of comprehensive income	702,089
Payment received for tax losses surrendered to Group companies	(561,723)
At end of year	993,255

The deferred tax asset is made up as follows:

	2022 £
Property, plant and equipment	148,330
Tax losses	844,925
	993,255

24. Provisions

	Deferred contingent consideration £
At 1 January 2022	1,484,075
Unwinding of discount	29,686
Change in discount rate	(11,544)
At 31 December 2022	1,502,217

25. Called up share capital

	2022 £	2021 £
Allotted, called up and fully paid		
50,000 (2021 - 50,000) Ordinary shares shares of £1.00 each	50,000	50,000

26. Reserves

Capital contribution

The capital contribution during the year of £64,581 is in respect of share based payment expenses.

Profit and loss account

The Profit and loss account represents accumulated comprehensive income for the current year and preceding financial years.

27. Pension commitments

The Company operates a defined contribution pension scheme. The pension cost for the year represents contributions payable by the Company to the scheme and amounted to £117,570 (2021: £104,750).

No contributions were outstanding or prepaid in relation to the defined contribution scheme at 31 December 2022 (2021: £Nil).

28. Related party transactions

During the year, the Company entered into related party transactions with the following Uniphar group companies:

-Dialachemist Limited
-Innerstrength Limited

Trade
At 31 December 2022, the balance due to Dialachemist Limited was £9,022 (2021:£5,900), the balance due to Innerstrength Limited was £Nil (2021: £5,036).

All other related parties and related party transactions are disclosed in the consolidated financial statements of Uniphar plc. Copies of Uniphar plc consolidated financial statements can be obtained from the company secretary of Uniphar plc at 4045 Kingswood Road, Citywest Business Park, Co. Dublin, Ireland, D24 V06K.

29. Controlling party

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Uniphar plc. Copies of Uniphar plc consolidated financial statements can be obtained from the company secretary of Uniphar plc at 4045 Kingswood Road, Citywest Business Park, Co. Dublin, Ireland, D24 V06K.

30. Post balance sheet events

There have been no significant events affecting the company since the year end.

31. Approval of financial statements

The board of directors approved these financial statements for issue on 20 April 2023.