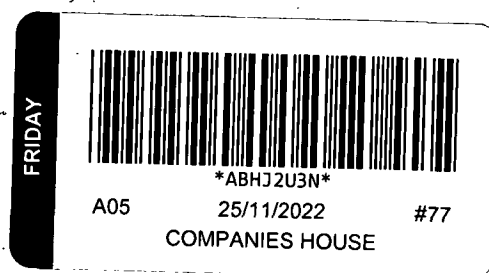


**BESPAK HOLDINGS LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR**

**THE YEAR ENDED 31 DECEMBER 2021**

**Registered No: 03973457**



**BESPAK HOLDINGS LIMITED**

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**BESPAK HOLDINGS LIMITED**

**OFFICERS AND ADVISERS**

**Directors**

Jean Francois Hilaire  
Oren Klug  
Lisa Lodge

**Registered Office**

Bergen Way  
North Lynn Industrial Estate  
King's Lynn  
Norfolk  
PE30 2JJ  
United Kingdom

**Registered Number**

03973457

**Independent Auditor**

Ernst & Young LLP  
Cowley Rd  
Cambridge  
United Kingdom  
CB1 0WZ

**BESPAK HOLDINGS LIMITED****STRATEGIC REPORT**

The directors present their Strategic report for the year ended 31 December 2021.

**Principal activities, review of business**

The Company's principal activity is to act as a holding company.

On 24 September 2021, Bepak Holdings Limited completed a reduction of its share capital of £8,041,000 and share premium of £108,642,000.

A dividend of £114,479,000 was paid in the year to the parent company, Consort Medical Limited (Consort). Further to this Consort formally released the company of the obligation to pay a loan balance (net) of £33,855,000.

**Key Performance Indicators**

	<b>12 months ended</b>	<b>11 months ended</b>
	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>£000</b>	<b>£000</b>
Dividends received	-	248,463
Impairment of subsidiaries	-	(207,682)
Profit/(loss) after tax	35,877	36,839
Investments	37,670	37,670
Net assets	38,631	117,233

**Principal risks and uncertainties**

The management of the business and the execution of the Company's strategy are subject to a number of risks and uncertainties.

**Foreign exchange risk**

The company is exposed to foreign exchange variances on balances payable to and receivable from other group companies. Foreign exchange risk arises when there is volatility in exchange rates which can have a negative impact on the Company's result.

## **BESPAK HOLDINGS LIMITED**

### **STRATEGIC REPORT (CONTINUED)**

#### *Interest rate risk*

Interest rate risk relates to changes in LIBOR / EURIBOR, which can impact interest charged on inter-company balances.

#### *Liquidity risk*

Liquidity risk relates to the Company's ability to settle its debts as they fall due, however the Company has received a letter of support from its parent company, Recipharm AB.

#### *Tax risk*

On 2 April 2019 the European Commission issued a press release announcing the conclusion of its investigation into the UK CFC rules and stating that the finance company exemption is partially justified but represents State Aid if it relates to UK activities. The directors completed an assessment of the potential liability relating to UK CFC activities and provided £0.4m at the end of the prior year. In January 2021 the Company received a charging notice from HMRC requiring payment of the maximum potential liability of £1.0m. Whilst this amount was paid to HMRC in February 2021, the Company does not believe that the UK CFC financing benefit received was State Aid. As a result, the Company believes that it is more likely than not that HMRC will be successful in its legal case against the European Commission in 2022 and the full amount of £1.0m will be refunded. On the basis of probabilities in accordance with IFRIC23, a tax debtor of £0.6m has been recognised in the financial statements. This treatment is on a consistent basis and represents the same view of the Company since the prior period end.

### **COVID-19**

On 11 March 2020, the World Health Organisation ('WHO') declared COVID-19 as a pandemic, affecting multiple countries including the UK. There has been no impact to manufacturing capability (of the Company's subsidiaries) during the pandemic and the manufacturing and quality functions have continued to operate on subsidiary sites throughout the lockdown period and beyond. Demand for the pharmaceutical products that the Company's subsidiaries manufacture and supply have not been adversely impacted by the pandemic as they are used to treat on-going conditions of the patients. As such, the Company's subsidiaries have seen no decline in demand or future forecasts as a result of the on-going pandemic.

The pharmaceutical industry is in most countries prioritised and we as a group are focused on maintaining a reliable supply. We continue to follow all governmental recommendations whilst at the same time working to mitigate any disruptions. As such, the directors do not consider that the on-going COVID-19 pandemic has had a significant impact on the Company or its subsidiaries.

## **BESPAK HOLDINGS LIMITED**

### **STRATEGIC REPORT (CONTINUED)**

#### **Directors' duties in relation to s172 Companies Act 2006**

This company is a holding company for the subsidiaries set out in note 10, and has no employees. The company's principle stakeholders are therefore considered to be its shareholders and subsidiaries. The directors consider, that they have acted in the way they believe, in good faith, to promote the success of Bepak Holdings Limited and its subsidiaries for the benefit of its members as a whole and, in doing so, have regard (amongst other matters) to:

- the likely consequences of any decisions in the long-term,
- the interests of employees,
- the need to foster the business relationships with suppliers, customers and others,
- the impact of operations on the community and environment,
- the desirability of maintaining a reputation for high standards of business conduct, and
- the need to act fairly between the shareholders of the Company.

We describe how the directors consider these factors in their decision-making below:

#### **Engagement with shareholders**

The Board engages directly with its shareholders on issues as necessary. The legal entity project, being a key project in the prior and current period was discussed and agreed with the Company's shareholders and was considered in the best interests of group.

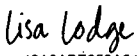
The board considers and discusses information from across the organisation to help it understand the impact of its operations, and the interests and views of our key stakeholders. It also reviews strategy, financial and operational performance, as well as information covering areas such as key risks, and legal and regulatory compliance. This information is provided to the Board through reports sent in advance of each Board meeting, and through in-person presentations.

#### **Engagement with subsidiary undertakings**

The directors believe that effective communication and proactive engagement with its subsidiaries is paramount in establishing a mutual understanding of objectives. The directors sit on the boards of its subsidiary undertakings. This forms the primary communication between all stakeholders and facilitates effective open, transparent and two-way engagement, any appropriate feedback from which forms part of each board's strategic discussions and which include discussions around transactional agreements, payment of dividends, board appointments and approval of accounts.

As a result of these activities, the Board has an overview of engagement with stakeholders, and other relevant factors, which enables the Directors to comply with their legal duty under section 172 of the Companies Act 2006.

On behalf of the Board

DocuSigned by:  
  
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**Lisa Lodge**  
Director

Date: 14 November 2022

## **BESPAK HOLDINGS LIMITED**

### **DIRECTORS' REPORT**

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2021.

#### **General information**

The Company is a limited company incorporated and domiciled in the United Kingdom.

#### **Directors**

The directors of the Company who held office during the period and up to the date of signing the financial statements were as follows:

Thomas Eldered (resigned 15 March 2021)  
Mark Quick (resigned 15 March 2022)  
Jean Francois Hilaire (appointed 15 March 2021)  
Oren Klug (appointed 15 March 2022)  
Lisa Lodge (appointed 6 May 2022)  
Thomas Eldered (resigned 15 March 2021)

#### **Future developments**

The company will continue to act as a holding company.

#### **Results and dividends**

The Company's profit for the year of £35,877,000 (11 months ended 31 December 2020: £36,839,000) was transferred to reserves.

#### **Share capital & premium reduction**

On 24 September 2021, Bepak Holdings Limited completed a reduction of its share capital of £8,041,000 and share premium of £108,642,000 (together totaling £116,683,000). This step was required in order to create distributable reserves to facilitate the subsequent steps below which allowed Bepak Holdings Limited to rectify the position created by the unlawful dividend in 2020.

#### **Final distribution made to shareholder**

Following the share capital and premium reduction described above, the directors undertook the following steps:

1. Declared a final dividend to Consort Medical Ltd in the amount equal to the liability, supported by a shareholder resolution. The act of the final dividend created a debt of £114,479,000 owing by Bepak Holdings Limited to Consort Medical Ltd (the "Debt").
2. Entered into a set off arrangement with Consort Medical Ltd such that the Debt and Liability are set-off with each other.

Prior to declaring the final dividend, and it being approved by the shareholder, the directors of the Bepak Holdings Limited reviewed the latest interim accounts as at 30 November 2021 and considered the profits available for distribution. On the basis that there were sufficient profits available which exceeded the "Liability" amount, the directors approved the final dividend to be declared and paid.

## **BESPAK HOLDINGS LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

#### **Political and charitable donations**

The Company did not make any political or charitable donations in the period or the prior period.

#### **Financial risk management**

The Company is subject to foreign exchange risk on Group balances payable. The Company does not have liquid assets and is dependent upon its parent company for financing requirements. For further details, refer to the Strategic Report.

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

Qualifying third-party indemnity arrangements are in place for the benefit of directors in a form and scope which comply with the requirements of the Companies Act 2006. The indemnity was in force throughout the financial period and up to the date of approval of the financial statements. Insurance cover is in force in respect of personal liabilities which may be incurred by directors and officers in the course of their service with Recipharm group.

#### **Disclosure of information to auditor**

In the case of each director, so far as each is aware, there is no relevant audit information of which the Company's auditor is unaware. Each director has taken all the steps he or she needs to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

#### **Going concern**

The company does not hold cash and hence is reliant on parental support. The going concern review period assessed by the directors is the period to 31 December 2023. Recipharm AB has provided a support letter to state that it will provide the necessary financial support to enable the company to settle its liabilities as they fall due within the period to 31 December 2023. The directors have made enquiries of Recipharm AB as to its ability to provide this support and are satisfied that Recipharm AB has the resources to do so.

As a result of the above the directors continue to prepare the financial statements on a going concern basis.



**BESPAK HOLDINGS LIMITED**

**DIRECTORS' REPORT (CONTINUED)**

**Post balance sheet events**

**Russian/Ukraine Conflict**

On 24 February 2022, a conflict between Russia and Ukraine initiated which has had a widespread impact on the Global economy. The Company and its subsidiaries do not have any operations, legal entities, employees, or financial assets in any of the affected countries. Management continues to monitor from a supply chain perspective for any direct impact and indirect impact of the ongoing conflict. The Company and its subsidiaries are currently not impacted by any of the sanctions imposed by the UK or other countries.

**Auditor**

A recommendation to re-appoint EY for the coming year will be put to the directors for approval following the signing of these financial statements.

**On behalf of the Board**

DocuSigned by:  
  
40A0ABE859A6497...  
**Lisa Lodge**  
Director

Date: 14 November 2022

**BESPAK HOLDINGS LIMITED**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BESPAC HOLDINGS LIMITED**

### **Opinion**

We have audited the financial statements of Bepak Holdings Limited for the year ended 31 December 2021 which comprise the Income Statement, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and the related notes 1 to 15, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2021 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. 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.

### **Conclusions relating to going concern**

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.

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 the period to 31 December 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

### **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.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BESPAC HOLDINGS LIMITED (CONTINUED)**

material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

### **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 strategic report or 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.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 8, 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BESPAC HOLDINGS LIMITED (CONTINUED)**

### ***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework, FRS101, the Companies Act 2006 and the relevant tax laws and regulations in the UK.
- We understood how the company is complying with those frameworks by making enquiries of management to understand how the company maintains and communicates its policies and procedures in those areas. We corroborated our enquiries through review of board minutes, review of correspondence with relevant authorities, as well as consideration of the results of our audit procedures across the company to either corroborate our findings or provide contrary evidence which was followed up.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by understanding which areas of the business present potential fraud risk areas (through assessing the presence of opportunities, incentives or potential rationalisation to commit such acts of fraud), understanding where these risks could present themselves and subsequently identifying the process level controls in place to prevent, or detect and correct them. Combining this with our review of entity level controls, which have evidenced management's behaviour and the culture embedded within the company, we have gained a detailed understanding of the overall susceptibility to fraud.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures included: detailed journal entry testing, with a focus on manual journals, corroborating balances where necessary to underlying supporting documentation. We also challenged assumptions and judgements made by management by reviewing third party evidence, including expert reports, wherever possible and discussed these with our internal experts. The results of these procedures did not identify any instances of irregularities, including fraud.

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.

**Ernst & Young LLP**

Rachel Wilden (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Cambridge  
Date: 14 November 2022

**BESPAK HOLDINGS LIMITED****INCOME STATEMENT**

For the year ended 31 December 2021

	Notes	12 months ended 31 December 2021 £000	11 months ended 31 December 2020 £000
Impairment of investment in subsidiaries	10	-	(207,682)
Exchange gain/(loss)		3,039	(2,842)
<b>Operating profit/(loss)</b>		<b>3,039</b>	<b>(210,524)</b>
Investment income	5	-	248,463
Interest payable to parent company	8	(1,138)	(1,117)
Other exceptional income	6	33,855	-
<b>Profit on ordinary activities before taxation</b>		<b>35,756</b>	<b>36,822</b>
Tax credit on profit on ordinary activities	9	121	17
<b>Profit for the financial period</b>		<b>35,877</b>	<b>36,839</b>

**STATEMENT OF COMPREHENSIVE INCOME**

For the year ended 31 December 2021

	12 months ended 31 December 2021 £000	11 months ended 31 December 2020 £000
Profit for the financial period	35,877	36,839
<b>Total comprehensive income for the period</b>	<b>35,877</b>	<b>36,839</b>

The gain for the financial period and total comprehensive gain for the period are attributable to the equity owners of the parent.

The accompanying notes on pages 15 to 24 are an integral part of the financial statements.


**BESPAK HOLDINGS LIMITED****BALANCE SHEET**

As at 31 December 2021

	Notes	As at 31 December 2021 £000	As at 31 December 2020 £000
<b>Non-current assets</b>			
Investments	10	37,670	37,670
		<b>37,670</b>	<b>37,670</b>
<b>Current assets</b>			
Amounts receivable from group companies	11	243	137,384
Debtors - group relief		217	-
Debtors - corporation tax		501	-
		<b>961</b>	<b>137,384</b>
<b>Total Assets</b>		<b>38,631</b>	<b>175,054</b>
<b>Current liabilities</b>			
Amounts due to other group companies	12	-	(57,379)
Corporation tax		-	(442)
		-	(57,821)
<b>Net current assets</b>		<b>38,631</b>	<b>79,563</b>
<b>Total liabilities</b>		<b>-</b>	<b>(57,821)</b>
<b>Net assets</b>		<b>38,631</b>	<b>117,233</b>
<b>Equity</b>			
Called up share capital	13	-	8,041
Share premium		-	108,642
Profit and loss account		38,631	550
<b>Total shareholders' funds</b>		<b>38,631</b>	<b>117,233</b>

The accompanying notes on pages 15 to 24 are an integral part of the financial statements.

The financial statements on pages 12 to 24 were approved by the Board of directors and authorised for issue on 14 November 2022 and signed on its behalf by:

DocuSigned by:  
  
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Lisa Lodge  
 Director

Registered number: 03973457

**BESPAK HOLDINGS LIMITED****STATEMENT OF CHANGES IN EQUITY**

As at 31 December 2021

	Notes	Called up share capital £000	Share premium £000	Profit and loss account £000	Total £000
<b>Balance at 31 January 2020</b>		<b>7,586</b>	<b>108,642</b>	<b>(9,023)</b>	<b>107,205</b>
Profit for the financial period		-	-	36,839	36,839
Dividends paid	7	-	-	(141,745)	(141,745)
Reversal of unlawful element of dividend		-	-	114,479	114,479
Issue of share capital	13	455	-	-	455
<b>Balance at 31 December 2020</b>		<b>8,041</b>	<b>108,642</b>	<b>550</b>	<b>117,233</b>
Profit for the financial period		-	-	35,877	35,877
Dividends paid	7	-	-	(114,479)	(114,479)
Capital reduction		(8,041)	(108,642)	116,683	-
<b>Balance at 31 December 2021</b>		<b>-</b>	<b>-</b>	<b>38,631</b>	<b>38,631</b>

The accompanying notes on pages 15 to 24 are an integral part of the financial statements.



## **BESPAK HOLDINGS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **General information**

Bespak Holdings Limited is a direct wholly owned subsidiary of Consort Medical Limited. Bespak Holdings Limited is incorporated in England and Wales, registered number 03973457. The nature of the Company's operations and its principal activities are set out in the Strategic report on page 2.

#### **Consolidation exemption**

The Company is a wholly-owned subsidiary of Recipharm AB and is included in the consolidated financial statements of Roar HoldCo AB (parent of Recipharm AB), which are publicly available from Companies House, Sweden. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 401 of the Companies Act 2006.

#### **1. Presentation of the financial statements and accounting policies**

##### **Basis of preparation**

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" ('FRS101') and the Companies Act 2006.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial Instruments: Disclosures'
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of paragraph 79(a)(iv) of IAS 1;
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d), (statement of cash flows)
  - 16 (statement of compliance with all IFRS),
  - 38A (requirement for minimum of two primary statements, including cash flow statements),
  - 38B-D (additional comparative information),
  - 40A-D (requirements for a third statement of financial position)
  - 111 (cash flow statement information), and
  - 134-136 (capital management disclosures)
- IAS 7, 'Statement of cash flows'
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- The requirement of IAS 24 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group whereby a subsidiary who is a party to the transaction is wholly owned by such a member.
- Paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'

## **BESPAK HOLDINGS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)**

#### **Accounting convention**

The financial statements have been prepared using the historic cost convention, as modified by certain financial assets and financial liabilities (including derivative financial instruments) at fair value. The specific accounting policies adopted, which have been approved by the Board, are described within this note and have been applied consistently in all periods presented.

#### **Going concern basis**

The company does not hold cash and hence is reliant on parental support. The going concern review period assessed by the directors is the period to 31 December 2023.

Recipharm AB has provided a support letter to state that it will provide the necessary financial support to enable the company to settle its liabilities as they fall due within the period to 31 December 2023. The directors have made enquiries of Recipharm AB as to its ability to provide this support and are satisfied that Recipharm AB has the resources to do so.

As a result of the above the directors continue to prepare the financial statements on a going concern basis.

#### **Investments**

Investments are shown at cost less provision in respect of impairments. Impairment write-downs are determined by reference to the higher of the post-tax realisable value of the investment and its ongoing value in use.

#### **Taxation**

The charge for current taxation is based on the results for the period as adjusted for items that are non-assessable or disallowed. It is calculated using rates that have been enacted, or substantively enacted, by the balance sheet date.

#### **Non-derivative financial instruments**

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables.

**BESPAK HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****Foreign currencies**

Items included in the financial statements of the Company are measured using that entity's functional currency, which is the currency of the primary economic environment in which the Company operates ('functional currency'). The financial statements are presented in 'Pound Sterling' (£) which is also the company's functional currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

**Critical accounting estimates and judgements**

The Company makes estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are discussed below.

**A) Carrying value of intercompany balances**

In assessing the carrying value of the Company's intercompany balances, the directors take into account the net assets of the corresponding companies and the trading forecasts of those companies. The trading forecasts contain estimates and assumptions around future profitability and cash generation.

**B) Carrying value of investments**

In assessing the carrying value of the Company's investments in other group companies, the directors take into account the net assets of the corresponding companies and the trading forecasts of those companies. The trading forecasts contain estimates and assumptions around future profitability and cash generation.

**C) Uncertain tax positions**

On 2 April 2019 the European Commission issued a press release announcing the conclusion of its investigation into the UK CFC rules and stating that the finance company exemption is partially justified but represents State Aid if it relates to UK activities. The directors completed an assessment of the potential liability relating to UK CFC activities and provided of £0.4m at 31 December 2020. In January 2021 the Company received a charging notice from HMRC requiring payment of the maximum potential liability of £1.0m. Whilst this amount was paid to HMRC in February 2021, the Company does not believe that the UK CFC financing benefit received was State Aid. As a result, the Company believes that it is more likely than not that HMRC will be successful in its legal case against the European Commission in 2022 and the full amount of £1.0m will be refunded. On the basis of probabilities in accordance with IFRIC23, a tax debtor of £0.6m has been recognised in the financial statements. This treatment is on a consistent basis and represents the same view of the Company since the prior period end.

**2. Audit fees**

The audit fees of the Company of £17,000 (11 month period ended 31 December 2020: £8,000) have been borne by the immediate parent undertaking, Consort Medical Limited.

**BESPAK HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****3. Employees**

The Company had no employees during the period or the prior period.

**4. Directors Remuneration**

Directors' remuneration is borne by other companies within the Recipharm group and not specifically recharged. The proportion of directors' time spent on this Company is considered negligible and hence their remuneration for qualifying services is deemed to be £nil. No director exercised share options in shares of other group undertakings in the current period (period ended 31 December 2020: 3). No director received shares for qualifying services to the company in either the current or prior period. No director was accruing benefits (for qualifying services to the Company) under a defined contribution scheme or defined benefit pension scheme in either the current or prior period.

**5. Investment income - dividends received**

	<b>12 months ended 31 December 2021 £000</b>	<b>11 months ended 31 December 2020 £000</b>
Dividends received from group undertakings	-	<b>248,463</b>

**6. Other exceptional income**

	<b>12 months ended 31 December 2021 £000</b>	<b>11 months ended 31 December 2020 £000</b>
Release of group loans	<b>33,855</b>	-

**BESPAK HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****7. Dividends paid**

	<b>12 months ended 31 December 2021 £000</b>	<b>11 months ended 31 December 2020 £000</b>
Dividends paid	114,479	141,745
Reversal of unlawful element of dividend		(114,479)
Net dividends paid to parent company	<b>114,479</b>	<b>27,266</b>

**Unlawful dividend to shareholder**

In October 2020, the Company paid a dividend of £141,745,000 to its shareholder and the directors subsequently identified that £114,479,000 of this distribution was unlawful. In 2021, the directors took steps to rectify the unlawful dividend. On the basis that part of the dividend was unlawful an obligation (the "Liability") was created (at 31 December 2020) in the recipient company of the unlawful dividend; Consort Medical Ltd to Bepak Holdings Limited. This obligation has subsequently been settled between Consort Medical Ltd and Bepak Holdings Limited in 2021.

The steps undertaken to rectify the unlawful dividend are set out below.

**Share capital & premium reduction**

On 24 September 2021, Bepak Holdings Limited completed a reduction of its share capital of £8,041,000 and share premium of £108,642,000 (together totaling £116,683,000). This step was required in order to create distributable reserves to facilitate the subsequent steps below which allowed Bepak Holdings Limited to rectify the position created by the unlawful dividend in 2020.

**Final distribution made to shareholder**

Following the share capital and premium reduction described above, the directors undertook the following steps:

1. Declared a final dividend to Consort Medical Ltd in the amount equal to the liability, supported by a shareholder resolution. The act of the final dividend created a debt of £114,479,000 owing by Bepak Holdings Limited to Consort Medical Ltd (the "Debt")
2. Entered into a set off arrangement with Consort Medical Ltd such that the Debt and Liability are set-off with each other.

Prior to declaring the final dividend, and it being approved by the shareholder, the directors of the Bepak Holdings Limited reviewed the latest interim accounts as at 30 November 2021 and considered the profits available for distribution. On the basis that there were sufficient profits available which exceeded the "Liability" amount, the directors approved the final dividend to be declared and paid.

**BESPAK HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****8. Interest payable**

	<b>12 months ended December 2021 £000</b>	<b>11 months ended December 2020 £000</b>
Interest payable to parent company	<b>(1,138)</b>	<b>(1,117)</b>

**9. Tax on profit on ordinary activities**

	<b>12 months ended December 2021 £000</b>	<b>11 months ended December 2020 £000</b>
Current tax		
Current tax of profits in the year	(217)	32
Uncertain tax positions	-	137
Adjustment in respect of prior years	96	15
Payments for group relief	-	(201)
<b>Total current tax</b>	<b>(121)</b>	<b>(17)</b>

**Reconciliation to UK statutory rate**

The tax assessed for the period is lower (11 months ended 31 December 2020: lower) than the standard rate corporation tax in the UK. The differences are explained below.

	<b>12 months ended 31 December 2021 £000</b>	<b>11 months ended 31 December 2020 £000</b>
Profit on ordinary activities before taxation	<b>35,756</b>	<b>36,822</b>
Tax at UK corporation tax rate of 19% (11 months ended 31 December 2020: 19%)	<b>6,794</b>	<b>6,996</b>
Effects of:		
Adjustments in respect of prior years	<b>96</b>	<b>15</b>
Disregard regulations	-	<b>551</b>
Non-taxable items (net)	<b>(7,011)</b>	<b>(7,748)</b>
Controlled foreign company charge	-	<b>32</b>
Uncertain tax position	-	<b>137</b>
<b>Tax (credit)/charge on profit/(loss) on ordinary activities</b>	<b>(121)</b>	<b>(17)</b>

**BESPAK HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**9. Tax on profit on ordinary activities (continued)**

**Factors affecting future tax charge**

In March 2021, the government announced the introduction of an increase in the rate of corporation tax from 19% to 25% from the fiscal year 1 April 2023. In September 2022, the government announced, however, that the corporation tax rate would remain at 19%. Deferred tax has been calculated based on the tax rates enacted at the balance sheet date.

**Deferred Tax**

The company has an unrecognized deferred tax asset of £376k (31 December 2020: £286k) relating to capital losses. The asset has not been recognized due to uncertainty over its recoverability.

**BESPAK HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****10. Investments**

Investment in subsidiary companies:

	<b>Cost £000</b>	<b>Provisions £000</b>	<b>Net book value £000</b>
<b>Balance at 1 January 2021</b>	<b>157,777</b>	<b>(120,107)</b>	<b>37,670</b>
Capital injection in subsidiaries	-	-	-
Impairment of investments in subsidiaries	-	-	-
Disposals	(120,107)	120,107	-
<b>Balance at 31 December 2021</b>	<b>37,670</b>	<b>-</b>	<b>37,670</b>

The Company's subsidiaries at the balance sheet date are as follows:

<b>Company</b>	<b>Registered address</b>	<b>% of ordinary shares</b>	<b>Nature of business</b>
Consort Medical SRL	Via Praglia 15, 10044, Pianezza (TO), Italy	100	Holding company
Consort Medical GmbH	Alfred-Nobel Straße 10, 40789, Monheim, Germany	100	Holding company
Aesica Pharmaceuticals SRL*	Via Praglia 15, 10044, Pianezza (TO), Italy	100	Finished dose drug manufacture and packaging
Aesica Pharmaceuticals GmbH*	Alfred-Nobel Straße 10, 40789, Monheim, Germany	90	Finished dose drug manufacture and packaging

*\*Indirect holdings held by Bepak Holdings Ltd*

On 2 May 2021 the Company disposed of its investment in Consort Medical Finance Limited when that company was voluntarily struck off the UK Companies House Register on that date.



**BESPAK HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****11. Amounts receivable from parent company and other group undertakings****Amounts falling due within one year:**

	As at 31 December 2021 £000	As at 31 December 2020 £000
Amounts falling due from parent company	-	137,183
Amounts falling due from other group companies	243	201
	<u>243</u>	<u>137,384</u>

Amounts due from the parent company; Consort Medical Limited, were interest free and repayable on demand.

Amounts due from other group companies are interest free and repayable on demand.

Amounts due from the company's parent undertaking were settled in part by the declaration of a dividend in the year along with the remaining amounts offset against amounts payable (to the company's parent) which were then formally released by the parent.

**12. Amounts due to parent company and other group undertakings****Amounts falling due within one year:**

	As at 31 December 2021 £000	As at 31 December 2020 £000
US dollar loan due to parent company	-	12,555
GBP loan due to parent company	-	3,031
Euro loan due to parent company	-	41,471
	-	<u>57,057</u>
Amounts due to other group companies	-	322
	-	<u>57,379</u>

The US dollar loan due to the parent company, Consort Medical Limited, was repayable on demand. Interest was payable at LIBOR plus a fixed margin rate.

The GBP loan due to the parent company, Consort Medical Limited, was repayable on demand. The loan was interest free.

The Euro loan due to the parent company, Consort Medical Limited was repayable on 30 April 2020. Interest was payable at EURIBOR plus a fixed margin rate.

Amounts due to another group company, Bespak LLC, were interest free and repayable on demand.

During the year, Consort Medical Limited formally released the company from its intercompany loans and accrued interest payable.

**BESPAK HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****13. Called up share capital and premium**

	As at 31 December 2021 £000	As at 31 December 2020 £000
<b>Allotted, called up and fully paid:</b>		
8,040,811(31 December 2020: 8,040,811) ordinary shares of £0.000013 each (31 December 2020: £1)	-	8,041

On 24 September 2021, the company completed a reduction in its share capital from £8,040,811 to £104.53 by reducing the nominal value of each ordinary share from £1.00 to £0.000013.

**14. Parent undertaking and controlling party and related party transactions**

The immediate parent undertaking is Consort Medical Limited, which owns 100% of the Company's share capital at 31<sup>st</sup> December. At 31 December 2021, the Company's ultimate parent undertaking and controlling party was Roar HoldCo AB and consolidated group financial statements, which include this Company, are available on Companies House Sweden.

The company has taken advantage of the exemptions available in paragraph 8(k) of FRS 101 as to the disclosure of transactions with group entities because the company's financial position and financial performance are included in the consolidated financial statements of Roar HoldCo AB.

**15. Subsequent Events****Russian/Ukraine Conflict**

On 24 February 2022, a conflict between Russia and Ukraine initiated which has had a widespread impact on the Global economy. The Company and its subsidiaries do not have any operations, legal entities, employees, or financial assets in any of the affected countries. Management continues to monitor from a supply chain perspective for any direct impact and indirect impact of the ongoing conflict. The Company and its subsidiaries are currently not impacted by any of the sanctions imposed by the UK or other countries.