

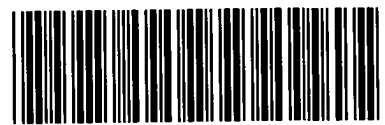
BESPAK HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

Registered No: 03973457

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COMPANIES HOUSE

Bespak Holdings Limited

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Bespak Holdings Limited

OFFICERS AND ADVISERS

Directors	Oren Klug Christopher Hirst Andrew Dawson
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

STRATEGIC REPORT

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

Principal activities, review of business

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

Key Performance Indicators

	2022	2021
	£000	£000
Profit/(loss) after tax	-	35,877
Investments	37,670	37,670
Net assets	38,631	38,631

In the prior year, as part of a group restructuring and simplification project, the Company's intercompany balances were rationalised such that all intercompany loans (payable and receivable) were eliminated. Therefore, the Company does not have any interest (payable or receivable) or any foreign exchange gains or losses in the current year and hence no profit or loss for the current year.

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.

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 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 2023 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.

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.

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 9 and has no employees. The company's principal 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 Bespak 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
- 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 (to rationalise and simplify the group structure and associated intercompany balances), being a key project in the prior period, was discussed and agreed with the Company's shareholders and was considered in the best interests of group.

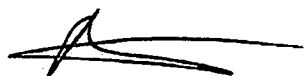
The board considers and discusses information from across the organisation to help it understand the impact of its operations and the interests and views of our key stakeholders. It also reviews strategy, financial and operational performance, as well as information covering areas such as key risks, 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



Andrew Dawson
Director

Date: 29 September 2023

DIRECTORS' REPORT

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

General information

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

Results and dividends

The Company's profit for the year of £Nil (2021: £35,877,000) was transferred to reserves.

Future developments

The company will continue to act as a holding company.

Basis of preparation – going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared a cash flow forecast for the period to 31 December 2024, being the going concern review period assessed by the directors. The cash flow forecast indicates that, taking account of reasonably possible downsides, and ongoing support from its parent undertakings, the Company will have sufficient funds to meet its liabilities as they fall due for that period. Specifically, the Company's parent, Recipharm AB has confirmed that it will provide the necessary financial support, if needed, for the review period to ensure the company is able to settle its liabilities as they fall due. The directors have made enquiries of Recipharm AB and are satisfied that Recipharm AB is able to provide such support.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for the review period to 31 December 2024 and therefore have prepared the financial statements on a going concern basis.

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:

Mark Quick (resigned 15 March 2022)
Oren Klug (appointed on 15 March 2022)
Jean Francois Hilaire (resigned 1 November 2022)
Christopher Hirst (appointed on 1 November 2022)
Lisa Lodge (appointed 6 May 2022, resigned 1 February 2023)
Andrew Dawson (appointed 1 February 2023)

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 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.

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



Andrew Dawson

Director

Date: 29 September 2023

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
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern
- 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 Bespak Holdings Limited for the year ended 31 December 2022 which comprise the Income Statement, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and the related notes 1 to 12 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 2022 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report 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 2024.

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 BESPAK 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 6 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: *29 September 2023*

Bespak Holdings Limited

INCOME STATEMENT

For the year ended 31 December 2022

	Notes	2022 £000	2021 £000
Exchange gain/(loss)		-	3,039
Operating profit/(loss)		-	3,039
Interest payable to parent company	7	-	(1,138)
Other exceptional income	5	-	33,855
Profit on ordinary activities before taxation		-	35,756
Tax credit on profit on ordinary activities	8	-	121
Profit for the financial year		-	35,877

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2022

	2022 £000	2021 £000
Profit for the financial period	-	35,877
Total comprehensive income for the year	-	35,877

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

The accompanying notes on pages 13 to 19 are an integral part of the financial statements.

Bespak Holdings Limited

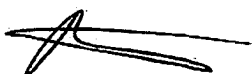
BALANCE SHEET

As at 31 December 2022

	Notes	As at 2022 £000	As at 2021 £000
Non-current assets			
Investments	9	37,670	37,670
		37,670	37,670
Current assets			
Amounts receivable from group companies	10	201	243
Debtors - group relief		217	217
Debtors - corporation tax		543	501
		961	961
Total and Net Assets		38,631	38,631
Equity			
Called up share capital	11	-	-
Share premium		-	-
Profit and loss account		38,631	38,631
Total shareholders' funds		38,631	38,631

The accompanying notes on pages 13 to 19 are an integral part of the financial statements.

The financial statements on pages 10 to 19 were approved by the Board of directors and authorised for issue on 29 September 2023 and signed on its behalf by:



Andrew Dawson
Director

Registered number: 03973457

STATEMENT OF CHANGES IN EQUITY

As at 31 December 2022

	Notes	Called up share capital £000	Share premium £000	Profit and loss account £000	Total £000
Balance at 31 December 2020		8,041	108,642	550	117,233
Profit for the financial year		-	-	35,877	35,877
Dividends paid	6	-	-	(114,479)	(114,479)
Capital reduction		(8,041)	(108,642)	116,683	-
Balance at 31 December 2021		-	-	38,631	38,631
Profit for the financial year		-	-	-	-
Balance at 31 December 2022		-	-	38,631	38,631

The accompanying notes on pages 13 to 19 are an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

General information

Bespak Holdings Limited ("The Company") is a wholly owned subsidiary of Consort Medical Limited. The Company 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.

1. Presentation of the financial statements and 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 periods presented, unless otherwise stated.

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 available on 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.

Compliance with applicable law and FRS101

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

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

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted-average exercise prices of share options, and how the fair value of goods or services received was determined)
- 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':
 - o 10(d), (statement of cash flows),
 - o 16 (statement of compliance with all IFRS),
 - o 38A (requirement for minimum of two primary statements, including cash flow statements),
 - o 38B-D (additional comparative information),
 - o 40A-D (requirements for a third statement of financial position)
 - o 111 (cash flow statement information), and
 - o 134-136 (capital management disclosures)
- IAS 7, 'Statement of cash flows'
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.
- Paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. Presentation of the financial statements and accounting policies (continued)

Measurement 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 which have been applied consistently in all periods presented.

Basis of preparation – going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared a cash flow forecast for the period to 31 December 2024, being the going concern review period assessed by the directors. The cash flow forecast indicates that, taking account of reasonably possible downsides, and ongoing support from its parent undertakings, the Company will have sufficient funds to meet its liabilities as they fall due for that period. Specifically, the Company's parent, Recipharm AB has confirmed that it will provide the necessary financial support, if needed, for the review period to ensure the company is able to settle its liabilities as they fall due. The directors have made enquiries of Recipharm AB and are satisfied that Recipharm AB is able to provide such support.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for the review period to 31 December 2024 and therefore have prepared the financial statements on a going concern basis.

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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. Presentation of the financial statements and accounting policies (continued)

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.

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 2023 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Audit fees

The audit fees of the Company of £18,326 (2021: £17,000) have been borne by the immediate parent undertaking, Consort Medical Limited.

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 or prior period. 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. Other exceptional income

	2022	2021
	£000	£000
Release of group loans	-	33,855

6. Dividends paid

	2022	2021
	£000	£000
Dividends paid	-	114,479

7. Interest payable

	2022	2021
	£000	£000
Interest payable to parent company	-	(1,138)

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. Tax on profit on ordinary activities

	2022	2021
	£000	£000
Current tax		
Current tax of profits in the year	-	(217)
Adjustment in respect of prior years	-	96
Total current tax	-	(121)

Reconciliation to UK statutory rate

The tax assessed for the period is lower (2021: lower) than the standard rate corporation tax in the UK. The differences are explained below.

	2022	2021
	£000	£000
Profit on ordinary activities before taxation	-	35,756
Tax at UK corporation tax rate of 19% (year ended 31 December 2021: 19%)	-	6,794
<u>Effects of:</u>		
Adjustments in respect of prior years	-	96
Non-taxable items (net)	-	(7,011)
Tax credit on profit on ordinary activities	-	(121)

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. 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 (2021: £376k) relating to capital losses. The asset has not been recognized due to uncertainty over its recoverability.

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. Investments

Investment in subsidiary companies:

	Cost £000	Provisions £000	Net book value £000
Balance at 1 January and 31 December 2022	37,670	-	37,670

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

Company	Registered address	% of ordinary shares	Nature of business
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 Bespak Holdings Ltd

10. Amounts receivable from parent company and other group undertakings

Amounts falling due within one year:

	2022 £000	2021 £000
Amounts falling due from other group companies	201	243
	201	243

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. Called up share capital and premium

	2022	2021
	£000	£000
Allotted, called up and fully paid:		
8,040,811 (31 December 2021: 8,040,811) ordinary shares	-	-
of £0.000013 each (31 December 2021: £0.000013)		

12. 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 31st December 2022

At 31 December 2022, 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.