Clinigen Limited

(previously known as Clinigen Group plc)

Consolidated Annual Report and Accounts

Year Ended 30 June 2022

Registered Number: 06771928

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COMPANY INFORMATION

Company Registration Number	06771928
Registered office	Pitcairn House Crown Square Centrum 100 Burton-on-Trent Staffordshire DE14 2WW
Directors	DJ Bryant RJ Paling SG Herbert
Independent auditors	PricewaterhouseCoopers LLP Donington Court Pegasus Business Park Castle Donington East Midlands DE74 2UZ

STRATEGIC REPORT

The Directors present their strategic report of Clinigen Limited ('the Company') together with its subsidiary companies ('the Group' or 'Clinigen Group') for the year ended 30 June 2022.

Principal activities and business model

Clinigen is dedicated to providing healthcare professionals (HCPs) and their patients around the world with quicker and broader access to critical medicines, and in the process increasing the value of a pharmaceutical product by extending and expanding its lifecycle.

Clinigen provides a unique set of niche, high value services to pharma and biotech clients at all stages of their products' lifecycles. This combined offering helps to accelerate drug development plans and enable access to critical medicines at a country, regional, and global level for patients with unmet needs by providing a quality assured, ethical service to hospital physicians and pharmacists seeking access to these medicines.

On top of the core services offering, Clinigen also owns the rights to a number of medicines which have been acquired or developed in-house. Clinigen acquires products with the goal of maintaining access to those that rely on them and growing access into new markets and disease areas through a targeted product revitalisation strategy. Products developed in-house were previously supplied in an 'on-demand' form, following the Unlicensed to Licensed (UL2L) strategy.

Triton acquisition

On 8 December 2021, Clinigen announced an agreement on the terms of a recommended all-cash offer by Triley Bidco Limited (a company indirectly owned by Triton Investment Management Limited) for the entire issued and to be issued share capital of Clinigen Group plc (the 'Triton Acquisition').

The final terms were an all-cash offer at 925 pence for each Clinigen share. On 8 February 2022 at the Court Meeting and General Meeting, shareholders voted to approve the resolutions in connection to the increased and final all-cash acquisition of Clinigen Group plc by Triley Bidco Limited.

Following the sanction of the Scheme at the Scheme Court Hearing and the delivery of a copy of the Court Order to the Registrar of Companies, the Scheme became effective on 4 April 2022 at which point the Company de-listed from AIM and became a private company, changing its name to Clinigen Limited.

Business review

Alternative performance measures are defined and reconciled in note 3 of the accounts.

Following the unprecedented challenges of the Covid-19 pandemic, the Group is seeing good progress from its strategic focus on its service offering to pharmaceutical and biotech clients at all stages of their product lifecycle which has helped to offset the headwinds against the owned product portfolio. Total revenue increased 12% to £588.0m (14% at constant currency) and 7% increase to £491.9m on a net revenue basis, while adjusted EBITDA increased by 2% (4% at constant currency) to £118.3m.

The increase in revenue has been underpinned by strong growth in the Group's partnered portfolio particularly in the Africa, Asia and Australia (AAA) region which has benefitted from the launch of several new in-licensed products in Japan and Australia which are performing ahead of expectations as well as capitalising on opportunities to supply Covid related products in Africa. There has also been a significant return to growth in the Group's clinical trial services with a number of significant sourcing deals signed with top 20 pharma companies as well as increased packaging and labelling activity which had been scaled back during the height of the Covid pandemic.

Adjusted profit before tax fell by 7% as a result of increased amortisation and depreciation charges from the Group's investment in both digital and physical infrastructure to support growth of the operational platform on which the service offering to customers is based as well as adverse non-cash foreign exchange movements on borrowings, partly offset by lower interest costs following the repayment of external borrowings and 2% increase to adjusted EBITDA.

Profit before tax on a statutory reported basis was £3.0m (2021: £51.8m) after taking into account the significant exceptional costs incurred as a result of the Triton Acquisition. These one-off costs included legal and advisory fees, accelerated share-based payment expenses and insurances. Further detail on the one-off non-underlying costs incurred in the year can be found in note 8 to the financial statements.

The Group maintains a strong balance sheet with net assets of £478.3m (2021: £447.0m) and net debt of £282.9m (2021: £335.8m). As a result of the Triton Acquisition, the Company's existing debt facility was repaid in full and was replaced by a loan agreement with the new parent company, Triley Bidco Limited. Further details of the Group's borrowings can be found in note 19 to the financial statements.
Adjusted operating cash flow increased by 32% to £131.8m (2021: £99.9m) helped by a focus on working capital management. This represented a 112% conversion on adjusted EBITDA (2021: 86%).

STRATEGIC REPORT (continued)

Key performance indicators (KPIs)

The Group's primary key performance indicators are net revenue, adjusted EBITDA and adjusted operating cash flow which are the best measures of the performance of the business in achieving its strategic objectives.

The Group's net revenue increased by 7% to £491.9m (2021: £458.6m) as a result of strong growth in partnered and clinical services which reflect the strategic focus on the Group's service offering.

Adjusted EBITDA increased by 2% to £118.3m (2021: £116.3m) with the growth in revenue offset by a lower operational margin as a result of increased freight and staff costs.

The Directors are pleased with the performance of the business and growth in its key performance indicators.

Principal risks and uncertainties

Principal risk	Impact	Mitigations
GEO-POLITICAL AND ECONOMIC VOLATILITY RISK		
The Group's expanded global footprint has increased the exposure to adverse local political decisions, changes in regulation and economic events impacting the pharmaceutical industry, which may affect the ability to supply, local demand and/or pricing. In addition, the normal dynamics of macroeconomic cycles and geo-politics have the potential to create volatility, including the potential for recession, continuing rises in interest rates, inflation, foreign exchange rate exposure, and energy supply disruption. The impact of the pandemic continues to affect some regions.	The financial instability of markets coupled with slower economic growth, possible recession (UK/globally) and supply disruption arising from the energy crisis may impact the supply, demand and prices of products and services. The longer-term effects of the pandemic continue to be difficult to predict.	The Group mitigates this risk by having an increasingly broad and diverse product, service, and geographical range, limiting the impact of events in any single territory. The Group monitors developments in key geographies and maintains relationships with regulatory bodies to enable the Group to respond rapidly to local changes in circumstances or events. The Group also takes account of political risk when assessing new contracts or acquisitions. Exposure to currency fluctuation is reduced by using bank accounts denominated in the principal foreign currencies for payments and receipts. The Group seeks to optimise the matching of currency surpluses generated to the foreign currency needs of the wider Group. Where there is a sufficient visibility of currency needs, hedging is in place for foreign exchange to help mitigate volatility and aid margin management. Inflation and interest rate impact is monitored closely across operations and modelled in financial forecasts.
COMPETITIVE THREAT		
The Group faces a threat to its owned products from generic products and/or the development of alternative therapies by competitors. The threat of 'generic' risk increases as the Group's product sales increase in size as increasing market size improves the viability for a potential generic product. The competitive landscape could also change during a product's development before commercialisation. The Group also faces competitive threat within the services operations.	The Group's products are not typically protected by patents and thus competitor threat could significantly erode sales of our products, resulting in an adverse impact on the Group's financial performance. In addition, the competitive environment is continually changing. It is anticipated that the level of competitive risk will continue to be significant both in generics and advances in alternative therapies.	The continued diversification across Clinigen's portfolio and platform reduces the overall effect if one of our products or services is impacted by significant change in the competitive landscape. The identification and ability to promote new users of our products and services and expanding into new geographies are a key part of our strategy and this helps mitigate the impact of competition in a particular geography, treatment area or service. The Group closely monitors the competitive landscape across the business units and in key markets to ensure a rapid and appropriate response to changes in competition.

STRATEGIC REPORT (continued)

Principal risks and uncertainties (continued)

Principal risk	Impact	Mitigations
SUPPLY CHAIN DISRUPTION		
The Group is unable to meet market demand for its products due to drug shortages and/or a major issue in the supply chain, such as, the manufacturing process at a Contract Manufacturing Organisation ('CMO'). For several of our products, the Group is often reliant on a single source supplier for manufacturing. A significant disruption in this process could impede our ability to supply and meet demand. In addition, the loss or damage to product during transit could also cause significant disruption to supply due to lead times in the re-manufacturing process and/or ability to re-supply. The emerging energy crisis may also give rise to future disruption in the supply chain.	The Group's reputation could be undermined, and profits impacted if its products go into shortage of supply. An issue in the manufacturing process at one of our CMOs may result in significant business disruption and limit our ability to meet demand. Such a delay could also result in a loss of market share, particularly if a generic competitor entered the market. The re-manufacturing process lead time could result in the Group being unable to fulfil orders and demand, resulting in loss of revenue and market share.	The Group has effective supply chain management, only working with trusted manufacturing and global distribution partners. The Group seeks to reduce the over-reliance on critical suppliers through dual sourcing where possible. The Group also seeks to maintain appropriate stock levels of its own products and related API ('Active Pharmaceutical Ingredient') to minimise the risk of shortage of supply. Business Interruption ('BI') insurance is procured to transfer an element of the financial risk exposure associated with potential loss of revenues in the event of significant disruption in the supply of product and services. Stock through put ('STP') insurance is in place to limit our financial exposure and liability in the event of product being lost and/or damage during conveyance. Third party vendor management controls are in place to minimise the risk of disruption in the supply chain. Strict inbound quality control and quarantine procedures are adopted at all warehouse facilities.
LEGAL AND REGULATORY COMPLIANCE		
The Group fails to proactively identify and comply with global laws and pharmaceutical regulatory requirements across our value chain, including manufacturing, sales, supply, and marketing of our products and services.	The failure to comply with laws and regulatory requirements could result in fines, penalties, business disruption, reduced revenue, potential exclusion from government programs, and loss of trading licences.	The Group has a business and Group-wide compliance structure which is continually assessed to support compliance given the highly regulated industry that it operates within. Employees are regularly trained in key legal and regulatory areas relating to Good Manufacturing practice/Good Distribution practice activities, as well as legal policies including whistleblowing, and anti-bribery and corruption. In addition, the employee code of conduct reinforces the Group's values of ethics, trust, and quality. The continued integration of quality systems across the business, including Electronic Quality Management System ('eQMS') and Learning Management System ('LMS') strengthens our resource and capability to support cross-site activities. The Group has undergone numerous Competent Authority Inspections and client audits over the past year, with the majority resulting in an excellent result. Periodic internal audits and management reviews demonstrate that the quality management system is operating effectively. The Group proactively monitor changes in the regulatory and legislative environment to ensure that all obligations are complied with, and forthcoming legislation is appropriately planned for. External professional advice is sought for new or emerging legislation or for where capabilities are not available in-house.

STRATEGIC REPORT (continued)

Principal risks and uncertainties (continued)

Principal risk	Impact	Mitigations
IT SYSTEMS AND INFRASTRUCTURE		
The Group's dependence on technology in our day-to-day business means that systems failure and loss of data would have a high impact on our operations.	The loss of a critical system and/or data could significantly impede our ability to trade and continue to supply our products and services in line with our standards and commitments to our customers and clients. A significant loss of data could also result in a data privacy breach and ultimately reputational damage and/or financial penalties.	The Group's technology strategy is regularly reviewed to ensure that the systems it operates across the Group support its strategic direction. Ongoing asset life-cycle management programs mitigate risks of hardware obsolescence whilst back-up procedures mitigate risk of data loss. The Group has continued to embed and further develop its ERP systems, with further integration planned. The ERP's and associated systems are designed to make the business processes more efficient, scalable and reliable. IT disaster recovery plans are developed and testing completed to ensure critical systems/ applications could be restored in the event of a disruption.
CYBER AND DATA SECURITY		
The volume and variety of cyber threats continues to evolve globally, with a particular increase in state sponsored attacks brought about by the war between Russia and Ukraine. This increased level of cybercrime represents a threat to the Group and may lead to business disruption or loss of data. The Group is exposed to the risk of external parties gaining access to Group systems and deliberately disrupting its business. This includes the risk of ransom demands, a material loss of revenue and profitability while systems are being restored, stolen information or fraudulent acts. Cyber and data security remains a key and increasing risk as technology and third-party cloud-based services continue to be subject to the threat of increasingly complex cyber-attacks.	Failure to protect against the threat of cyber-attack could adversely impact the systems performing critical functions which could lead to a significant breach of security, jeopardising sensitive information and financial transactions of the Group. A data breach or attack resulting in operational disruption could reduce the effectiveness of our systems. This in turn could result in loss of revenue, loss of financial, customer or employee data, fines and/or reputational damage.	The Group has invested in the protection of its data and IT systems from the threat of cyber-attack. Cyber security policies and procedures exist to minimise this risk, including preventative and detective controls based on the broad principles of NIST, CIS and ISO:27001. Our dedicated IT support teams and external service providers monitor and respond to new and expanding cyber risks and look to implement best practice in IT security management. During the year, the Group appointed a new IT Managed Service Provider and implemented Service Now, further strengthening the Group's cyber security posture. Proactive and reactive security controls are implemented, including up-to-date anti-virus software across the estate, network/system monitoring and regular penetration testing to identify vulnerabilities. Incident response capability is in place to mitigate the impact of a cyber-attack on our day-to-day operations. This includes disaster recovery and business continuity plans to support the business in the event of a significant attack. Internal audit conducts periodic reviews of IT and security controls. The Group also has in place cyber insurance, providing coverage and protection against a range of cyber-related security threats.

STRATEGIC REPORT (continued)

Principal risks and uncertainties (continued)

Principal risk	Impact	Mitigations
ACQUISITIONS, INTEGRATIONS AND STRATEGIC PROJECTS		
The Group fails to integrate acquisitions efficiently, leading to disruption in operations and reduced returns on investment. In addition, the Group could make acquisitions which do not support the business as intended or could fail to identify potential acquisitions to drive future growth aspirations. The Group fails to execute on transformational projects, including our ongoing expansion of the digital channel (Clinigen Direct) into new markets.	Strategic acquisitions, integrations and projects fail to provide the planned Return on Investment ('ROI'). Failure to enact the acquisition strategy could result in increased inefficiencies in operations, increased costs, and greater risk of non-compliance with laws and regulations. Loss of market confidence in the Group's acquisition strategy.	The Group utilises specialist advisers on all acquisitions and conducts the appropriate level of due diligence, financial modelling and stress testing to ensure the costs and benefits are fully evaluated prior to acquisition. The Group's experienced in-house Corporate Development team oversee all acquisition and integration activities. All acquisitions are thoroughly reviewed and approved by the Board and supported by experienced integration teams with detailed integration plans. These plans are then monitored regularly to raise any deviations and corrective action taken. The Group's Change Advisory Board and Program Management Board oversee all strategic acquisitions and undertake a rigorous approach to due diligence on all proposed acquisitions (and divestments). Clinigen has built out an experienced in-house Programme Management Office (PMO). All projects are supported by an effective governance structure and senior leadership in place to oversee delivery through establishment of a Change Advisory Board and Programme Board.
PEOPLE AND RESOURCES		
The Group's ability to deliver on its strategic objectives could be adversely impacted by failure to recruit, develop, and retain the right people. The risk that a combination of key people in senior roles depart at short notice could impact the Group's ability to deliver on its strategy. Failure to address and adapt to the challenges of wellbeing and mental health because of the longer-term impacts of the pandemic and the impact of the cost-of-living crisis, may also increase the risk that we are unable to retain employees.	Loss of key individuals could result in operational disruption and reputational damage, while competition for employees could lead to higher-than-expected increases in the cost of recruitment, training, and employee costs.	The Group has appropriate remuneration packages to help recruit and retain key employees. A comprehensive job grading and performance management framework provides our people with a clear and transparent mechanism for progression, pay and reward. The Group is cognisant of the ongoing challenges presented to employees brought about by rising inflation, interest rates, and the energy crisis, and has put in place plans to ensure employees are supported. The Group provides significant opportunities for learning, development, and leadership training, demonstrated by its management academy which is recognised by the Institute of Leadership and Management to assist with career development and improve competency. Talent mapping and succession planning ensure high potential employees are identified and supported to achieve their career ambitions. Clear succession plans are in place for senior positions across the Group. The Group monitors employee satisfaction and engagement via Peakon on a weekly basis to ensure Clinigen remains an exceptional place to work. Effective communication and engagement with our employees coupled with a range of initiatives, including mental health and wellbeing training, have equipped our managers to ensure the best support is offered to all our people.

STRATEGIC REPORT (continued)

Principal risks and uncertainties (continued)

ENVIRONMENTAL, SOCIAL & GOVERNANCE		
The Group fails to plan and respond to the environmental, climate change and wider ESG agenda. Future emission restrictions and the transition to a low carbon economy could impact operations and performance in the medium term. The Group fails to adopt and uphold the highest standards of quality and ethical business practice.	The Group's impact upon the environment or the effects of climate change could expose it to regulatory breaches, significant disruption, reputational risk, or a reduction in demand for its products and services. The Group fails to discharge its responsibilities as a good corporate citizen, making it a less attractive place to work. Failure to respond to the ESG agenda could have a significant impact on the Group's reputation, brand and ability to attract and retain people.	The Group has developed a clearly articulated ESG strategy which outlines a range of sustainability-related initiatives aimed supporting our commitments as a good corporate citizen in relation to ESG. This strategy is also aligned to the UN Sustainable Development Goals. A robust governance structure provides clear oversight and ownership of the Group's ESG strategy and management of climate-related risks. The Board and Executive Management Team routinely monitor progress against the strategy and are supported by an ESG Steering Committee tasked with its implementation. The Group is committed to setting targets, implementing sustainability initiatives and reporting performance to its key stakeholders. In support of this, the Group recently implemented a cloud-based environmental reporting platform, enabling the business to capture, calculate and report on its environmental performance more accurately. Identification, mitigation, and reporting on climate-related risks continues to be embedded into the Group's existing risk management process and is complementary to governance of the Group's ESG strategy. The Group reports annually in line with the Streamlined Energy and Carbon Reporting (SECR) requirements and Section 172 of the Companies Act, under which Directors have a duty to act regarding the company's impact on the environment. Supplier qualification procedures to ensure high ethical standards are adhered to within the supply chain are adopted through contracting processes, with plans to further improve screening on ethical issues such as modern slavery, human rights, and environmental impact.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ('ESG')

Clinigen is dedicated to solving an increasingly global healthcare problem – ensuring patients around the world have access to the critical medicines they need. Our mission to deliver the Right Medicine, to the Right Patient, at the Right Time is at the heart of everything we do. This mission gives Clinigen a clear purpose – to ultimately improve health outcomes and improve the lives of patients accessing our medicines whilst also delivering greater value and sustainability to our stakeholders.

Our business operates to the highest standards of governance and compliance. We recognise the value of having a clear purpose supported by a strong culture of ethics, quality, and patient safety. We are responsible, transparent, and focused on making a positive impact across our value chain, the environment and society. As a global leader in ethical access to medicines there is an increasing expectation amongst our stakeholders that we contribute, measure, and communicate the impact our strategy has on a range of sustainability issues.

Our approach to ESG reflects how we minimise the impact of our operations and products on the environment; support and develop our people, and dedicate ourselves to quality, ethics, and transparency. We integrate ESG into our business to ensure we bring value to Clinigen and our stakeholders.

STRATEGIC REPORT (continued)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ('ESG') (continued)

ESG STRATEGY

During the past 12 months, we have worked hard to refresh our ESG Strategy to ensure that it clearly represents our commitment to building a responsible and sustainable business, through clear goals that address the issues that matter most to our business, our people, and the external environment that we operate within. This has included refreshing our ESG governance to align with our operating model and corporate strategy; and undertaking a refreshed materiality assessment to ensure the strategy focuses on those material ESG topics which matter most to us and our key stakeholders.

At the heart of our ESG strategy are three broad commitments as set out below. These commitments will drive meaningful action and are supported by a detailed ESG Action Plan and set of Key Performance Indicators (KPIs):

- **Right by the environment** - to minimise any negative impact that we have on the environment throughout our operations and supply chain
- **Right by our people and partners** - to ensure that we have an inclusive and safe working environment and that our people reflect the diverse societies we serve. To partner with our suppliers to ensure a sustainable and ethical supply chain.
- **Right governance** - to conduct business in a responsible way and to the highest ethical standards.

WHAT'S NEXT

The last 12 months have been a critical milestone in our ESG journey as we have refined our ESG approach and formulated a comprehensive ESG Strategy. During FY23, the ESG Steering Committee and Board will be tracking progress against the strategy, action plan and KPIs. A standalone Sustainability Report will be produced in FY24 providing for the first time a detailed overview of our ESG activities and performance.

STREAMLINED ENERGY AND CARBON REPORTING ('SECR')

Clinigen have continued to capture UK emissions as required by the SECR regulations that came into force on 1 April 2019. The collection and creation of the SECR report was facilitated externally by TEAM (Energy Auditing Agency Limited). The SECR report covers Scope 1 direct emissions, which includes company-owned vehicles, Scope 2 indirect emissions from electricity purchased and Scope 3 emissions from private vehicles for business use. The SECR report aligns with the financial year to 30 June 2022. Using the latest figures provided by the Department for Business, Energy and Industrial Strategy and the Department for Environment, Food and Rural Affairs, TEAM converted the data into tonnes of carbon dioxide equivalent ('tonnes of CO2e') and categorised into Scope 1, Scope 2 and Scope 3 emissions. The results are shown in the table below and use market-based green tariff conversions for FY22 which take into account the switch of electricity provider in August 2021 to being >50% sourced from renewable energy supplies:

CO_2 tonnes equivalent	**FY22**	FY21
Scope 1 emissions	**45.45**	67.95
Scope 2 emissions	**263.21**	186.07
Scope 3 emissions *	**10.69**	0.56
Total emissions	**319.35**	254.58
Intensity ratio (CO_2 tonnes per £1m of turnover)	**0.52**	0.49

* Scope 3 includes all other indirect emissions that occur in a company's value chain. For the purposes of UK SECR reporting, Clinigen's Scope 3 emissions only include business travel and employee commuting.

There has been a total of 319 tonnes of CO2e emitted during FY22 which compares to 255 tonnes for the prior financial year. This increase is largely driven by the fact the workforce and operations have begun to normalise as the impacts of the pandemic have abated.

The intensity measure variable that the Group has used is total carbon dioxide equivalent emissions (tonnes) per £m of turnover. This is considered to be the best metric to alleviate any skew in the data as a result of the unprecedented impact of COVID-19. Furthermore, if the consumption increases due to an increase in business operation, i.e. generates more emissions and turnover during subsequent years, this metric allows for a good comparison across the years to determine whether the energy performance and carbon savings of the Group have improved.

STRATEGIC REPORT (continued)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ('ESG') (continued)

RATINGS AND DISCLOSURES

Clinigen works closely with a range of ESG rating agencies in support of being transparent and open regarding our ESG performance. Clinigen is currently rated as 'A' by MSCI and has a risk score of 'Low' from Sustainanalytics. In FY22, Clinigen also completed its second CDP disclosure as well as registering on Ecovadis, both of which provide greater transparency to our stakeholders regarding our environmental impact and performance and wider ESG issues.

OTHER ESG INITIATIVES

During the year Clinigen put in place several initiatives to reduce our impact on the environment including switching to a green tariff electricity provider in August 2021 with >50% of electricity supplied by renewable sources. We also continue to promote recycling and waste disposal throughout the Group through education and audit through our Environmental Management System.

In addition, Clinigen has recently implemented a cloud-based software solution which will support the business to effectively capture, convert and report on our environmental performance globally.

CLIMATE RISK & OPPORTUNITIES

Clinigen's success is dependent on our ability to manage risks, including those related to ESG. In line with Clinigen's Enterprise Risk Management framework, we created organisational structures to identify, manage and monitor risks through our enterprise risk management (ERM) process, which includes a series of assessments and measures that *help detect risks from across the organisation. Many ESG risks are related to topics that were identified in our* ESG materiality assessment and are reflected in our ESG strategy.

Clinigen's VP Risk, Assurance & Compliance leads the ERM process across Clinigen's business units and supports risk owners. In 2022, we completed a detailed risk assessment to identified climate related risks and opportunities as part of our submission to the CDP. During 2023, we plan to future enhance this assessment process in support of preparing to disclose against the Taskforce for Climate-Related Financial Disclosures ('TCFD') from 2024

STAKEHOLDER ENGAGEMENT AND SECTION 172(1) STATEMENT

Section 172 of the Companies Act 2006 requires each Director of the Company to act in the way he or she considers, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole. In this way, Section 172 requires the Directors to have regard, amongst other matters, to the:

- Likely consequences of any decisions in the long term
- Interests of the Company's employees
- Need to foster the Company's business relationships with suppliers, customers and other material stakeholders
- Impact of the Company's operations on local communities and the environment
- Desirability of the Company maintaining a reputation for high standards of business conduct
- Need to act fairly between members of the Company

During the year ended 30 June 2022, the Directors have complied with the requirements of Section 172 in promoting the long-term success of the Group for the benefit of all stakeholders. The Directors acknowledge that some decisions will not necessarily result in a positive outcome for all stakeholders, however, by considering the Company's purpose, mission, vision, values and commitment to responsible business together with its strategic priorities and having a process in place for decision-making, the Directors ensure that their decisions are in the best interests of the business.

The following disclosure describes how the Directors have had regard to the matters set out in Section 172(1)(a) to (f) and forms the Directors' statement required under Section 414CZA of the Companies Act 2006.

Key stakeholders

The Directors consider patients, pharmaceutical and biotech clients, HCP customers, employees and competent authorities to be the Group's key stakeholders and the following activities have been undertaken during the period to engage with these stakeholders.

STRATEGIC REPORT (continued)

STAKEHOLDER ENGAGEMENT AND SECTION 172(1) STATEMENT (continued)

Patients

Patients are central to the service that Clinigen provides to its pharmaceutical and biotech clients and healthcare professionals ('HCPs'). It is ultimately patients' needs and requirements that help to shape the type of services that the Group provides. Through its various business lines, Clinigen makes new or different treatment options available for patients with unmet needs around the world. This makes all the difference for patients, whether it be enabling access to a life-saving treatment, or introducing an option that could have a vast impact on a patient's quality of life.

We engage with the patient community through our global patient advocacy function within medical affairs. Across the Group, our aims have been to create a feedback loop with the community whereby actual patient needs can be heard, and have an impact upon Clinigen's business and priorities.

Pharmaceutical & Biotech Clients

Clinigen provide solutions to pharmaceutical and biotech companies at all stages of the medicine lifecycle. It is only through strong relationships with pharma companies that Clinigen can expedite and broaden access to medicines for patients around the world. Clinigen's platform provides pharmaceutical and biotech companies with ethical, compliant and efficient solutions to medicine access challenges throughout the medicine lifecycle. These solutions drive value and simplify partnering strategies.

Clinigen engage pharmaceutical and biotech companies at multiple points throughout a medicine's lifecycle – from phase II to commercial. The solutions Clinigen provide vary depending on the company's internal capabilities and specific access needs. Over the last 12 months Clinigen has provided solutions to more than 500 pharma and biotech companies. These companies range from large Top 20 pharma companies to small niche biotechs.

HCP Customers

Along with pharmaceutical and biotech companies, HCPs are the other main user of the service Clinigen provides. Effectively servicing the needs of HCPs across the world is critical to being able to achieve our mission. Clinigen provides a platform that enables HCPs to access critical medicines in a simple, efficient and compliant manner. This saves time, minimises resource impact and enables HCPs to treat their patients as quickly as possible.

Clinigen's multi-channel platform, Clinigen Direct, enables the Group to engage with HCPs via phone, email and online. Clinigen also have field-based teams such as Medical Science Liaison that consult directly with treating physicians.

Employees

The Group's employees are vital to help us deliver on our strategic objectives and so it is critical to recruit, develop and retain the right people. It is only by having a happy, thriving and high performing team that we can continue to serve the needs of our patients and customers. Many of our employees are attracted to Clinigen due to the nature of the work enabling better access to medicines. In addition, Clinigen offers a diverse working culture that will offer opportunities for career development and personal growth.

We encourage a culture of open communication through a range of two-way mediums including regular employee staff forums; global intranet platform; newsletters; and regular Group and divisional performance updates from the Executive team. In addition, we utilise Peakon, the world's leading platform for measuring and improving employee engagement.

Competent authorities

Clinigen engages with Competent Authorities including regulators and government departments in order to operate within the appropriate regulatory and legal framework and expedite access to medicines. Our quality and regulatory functions engage with competent authorities for marketing authorisations, importing and exporting of unlicensed medicines, strategic guidance and periodic inspections. The competent authorities ensure that every element of the service Clinigen provides is compliant and, most importantly, protects the patients we provide access for. Forming strong and transparent relationships with Competent Authorities is key to service the needs of our pharmaceutical clients and HCP customers.

On behalf of the Board

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RJ Paling, Director
28 April 2023

DIRECTORS' REPORT

The Directors present their report together with the Strategic Report and audited financial statements of the Company and the Group for the year ended 30 June 2022. Clinigen Limited is a private company limited by shares, incorporated and domiciled in the UK and registered in England and Wales.

Change of name

On 4 May 2022, following its acquisition by Triley Bidco Limited and de-listing from AIM, the Company changed its name from Clinigen Group plc to Clinigen Limited.

Going concern

The Group's strategy and forecasts, taking account of sensitivities within the trading projections and possible changes in trading performance, show that the Group has adequate resources to continue in operational existence for the foreseeable future. At 30 June 2022, the Group had £107.7m of cash balances along with a further £23.7m of undrawn borrowing facility available, which combined with the Group's positive cash generation from each of its operations, provides sufficient funding for the near-term settlement of liabilities along with sufficient liquidity for ongoing trading.

Following the Triton acquisition, the Group's external banking facility was fully repaid and funding is now provided by virtue of a formal intercompany loan facility with Triley Bidco Limited, the immediate parent undertaking of the Company. This facility is interest free and repayable on demand, however the Directors have received a letter of support to confirm that no repayment of this funding is required within 18 months from the date of signing the financial statements.

The post balance sheet disposals (note 30) will provide a considerable cash inflow for the Group, further mitigating any going concern risk.

After making appropriate enquires, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for at least twelve months from the date of approval of the financial statements. Therefore, the Company and Group continues to adopt the going concern basis in preparing its financial statements. Further information on the Group's borrowing facilities is given in note 19.

Strategic Report

As permitted by legislation, some of the matters required to be included in the Directors' Report have instead been included in the Strategic Report on pages 3 to 11, as the Board considers them to be of strategic importance. Specifically, these are the business review and future developments on page 3, risk management on pages 4 to 8, environmental, social and corporate governance on pages 8 to 10, SECR reporting on page 9 and the statement on stakeholder engagement on pages 10 to 11.

Financial instruments

The Group's operations expose it to a variety of financial risks that include credit risk, liquidity risk and foreign exchange risk. The Group has a risk management program that seeks to limit the adverse effects on the financial performance of the Group by monitoring levels of debt finance and related finance costs and managing foreign currency transactions. The Group has implemented policies that require appropriate credit checks before a sale is made. The Group reduces its exposure to currency fluctuations on translation by managing currencies using bank accounts denominated in foreign currencies. Where there is sufficient visibility of currency requirements, forward contracts are used to hedge its exposure to foreign currency fluctuations. Further detail is provided in note 20 of the consolidated financial statements.

Directors

The Directors of the Company who held office during the year and up to the date of signing the financial statements were:
DJ Bryant (Appointed 3 January 2023)
RJ Paling (Appointed 3 January 2023)
SG Herbert (Appointed 3 January 2023)
SE Chilton (Resigned 14 October 2022)
CT Cheung (Appointed 4 April 2022; Resigned 3 January 2023)
MC Turner (Appointed 4 April 2022; Resigned 3 January 2023)
JB Pomoell (Appointed 4 April 2022; Resigned 3 January 2023)
NP Keher (Resigned 24 August 2021)
EJ Schnee (Appointed 3 August 2021; Resigned 4 April 2022)
PV Allen (Resigned 1 September 2021)
IR Johnson (Appointed 3 August 2021; Resigned 4 April 2022)
IJ Nicholson (Resigned 24 November 2021)
S Curran (Resigned 4 April 2022)
AP Hyland (Resigned 4 April 2022)
AK Boyd (Resigned 4 April 2022)

DIRECTORS' REPORT (continued)

Directors' indemnity insurance

During the year and up to the date of signing of this report, the Company, through the Group, maintained liability insurance and third party indemnification provisions (which are a qualifying third party indemnity provision for the purposes of the Companies Act 2006) for its directors and the company secretary.

Political donations

No political donations were made in the year (2021: £nil).

Research & development

The Group carries out product development activities as part of its strategy to license and commercialise pharmaceuticals. The nature of this development is limited and focused on low-risk generics, in-licensing opportunities for existing drugs into new territories and development of new indications for its existing owned product portfolio.

Independent auditors

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and PricewaterhouseCoopers LLP will therefore continue in office.

Dividends

The Directors do not propose a dividend for the current financial year (2021: 7.61p / share).

Disclosure of information to the independent auditors

The Directors who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the Group's auditor is unaware, and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Post balance sheet events

Details of events occurring after the end of the reporting period are contained in note 30 of the Group financial statements.

On behalf of the board

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RJ Paling
Director
28 April 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 consolidated Annual Report and Accounts in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have prepared the Group financial statements in accordance with UK-adopted international accounting standards and the Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS101 'Reduced Disclosure Framework' and applicable law).

Under company law, 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 Group and Company and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed for the group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The Directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditors' report to the members of Clinigen Limited

Report on the audit of thc financial statements

Opinion
In our opinion:

- Clinigen Limited's group financial statements and company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the company's affairs as at 30 June 2022 and of the group's loss and the group's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Consolidated Annual Report and Accounts (the "Annual Report"), which comprise: the consolidated statement of financial position and the company balance sheet as at 30 June 2022; the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in equity and the company 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 group 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 group's and 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 group's and 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.

Reporting on other information

The other information comprises all of the information in the Annual Report 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 30 June 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 group and company and their 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 Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements, 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 group's and 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 group or 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.

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 group and industry, we identified that the principal risks of non-compliance with laws and regulations related to Medicines and Healthcare products Regulatory Agency in the UK and equivalent bodies in overseas territories, 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 fraudulent journal entries (for example journal entries to increase revenue and profit) and bias in relation to judgements and estimates, particularly in the areas of goodwill and intangible assets impairment assessment. Audit procedures performed by the engagement team included:

- Understanding and evaluating the key elements of the group's internal control related to estimates;
- Validating the support behind the assumptions and judgements made by management including challenging against possible alternatives, for example in relation to goodwill and intangible asset impairment assessment;
- Identifying and substantively testing higher risk journal entries, in particular any that increased profit, that had unusual account combinations or were posted by senior management;
- Discussions with and corroborating key assertions made by finance management, including views on accounting judgements and estimates, and considering known or suspected instances of non-compliance with laws and regulation and fraud;
- Reading the minutes of the Board meetings to identify any inconsistencies with other information provided by management;
- Reviewing internal audit reports in so far as they related to the financial statements; and
- Reviewing legal expense accounts to identify significant legal spend which may be indicative of serious breaches of laws and regulations.

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 company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Paul Norbury BSc FCA (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands
28 April 2023

CONSOLIDATED INCOME STATEMENT for the year ended 30 June 2022

		2022			2021		
(In £m)	Note	Underlying	Non-underlying (note 8)	Total	Underlying	Non-underlying (note 8)	Total
Revenue	4	**588.0**	**–**	**588.0**	523.6	–	523.6
Cost of sales		**(383.5)**	**(0.5)**	**(384.0)**	(325.6)	(0.1)	(325.7)
Gross profit		**204.5**	**(0.5)**	**204.0**	198.0	(0.1)	197.9
Administrative expenses		**(105.5)**	**(81.5)**	**(187.0)**	(97.5)	(38.9)	(136.4)
Profit from operations		**99.0**	**(82.0)**	**17.0**	100.5	(39.0)	61.5
Finance costs	9	**(13.0)**	**(1.0)**	**(14.0)**	(8.3)	(1.4)	(9.7)
Profit before income tax		**86.0**	**(83.0)**	**3.0**	92.2	(40.4)	51.8
Income tax expense	10	**(14.8)**	**11.0**	**(3.8)**	(17.8)	5.7	(12.1)
(Loss)/profit for the year from continuing operations		**71.2**	**(72.0)**	**(0.8)**	74.4	(34.7)	39.7
Profit/(Loss) for the year from discontinued operations	29	**–**	**0.7**	**0.7**	0.2	(9.6)	(9.4)
(Loss)/profit attributable to owners of the Company		**71.2**	**(71.3)**	**(0.1)**	74.6	(44.3)	30.3

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2022

	2022			2021		
(In £m)	Underlying	Non-underlying (note 8)	Total	Underlying	Non-underlying (note 8)	Total
(Loss)/profit attributable to owners of the Company	**71.2**	**(71.3)**	**(0.1)**	74.6	(44.3)	30.3
Other comprehensive income/(expense)						
Items that may be subsequently reclassified to profit or loss						
Cash flow hedges	**(0.2)**	–	**(0.2)**	0.1	–	0.1
Currency translation differences	**24.3**	–	**24.3**	(26.2)	–	(26.2)
Net investment hedge	**2.0**	–	**2.0**	4.7	–	4.7
Income tax relating to net investment hedge	**(0.4)**	–	**(0.4)**	(0.9)	–	(0.9)
Total other comprehensive income/(expense) for the year	**25.7**	–	**25.7**	(22.3)	–	(22.3)
Total comprehensive income attributable to owners of the Company	**96.9**	**(71.3)**	**25.6**	52.3	(44.3)	8.0
Total comprehensive income/(expense) arising from:						
Continuing operations	**97.0**	**(72.0)**	**24.9**	52.1	(34.7)	17.4
Discontinued operations	**–**	**0.7**	**0.7**	0.2	(9.6)	(9.4)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 30 June 2022

(In £m)	Note	**2022**	2021
Intangible assets	12	**694.6**	718.3
Property, plant and equipment	13	**20.7**	13.6
Right-of-use assets	14	**19.9**	19.1
Other financial assets		**1.2**	1.1
Deferred tax assets	21	**9.3**	10.8
Total non-current assets		**745.7**	762.9
Inventories	15	**66.4**	56.6
Trade and other receivables	16	**133.1**	163.2
Cash and cash equivalents	17	**107.7**	82.9
Total current assets		**307.2**	302.7
Total assets		**1,052.9**	1,065.6
Trade and other payables	18	**0.8**	1.7
Borrowings and lease liabilities	19	**19.7**	413.9
Deferred tax liabilities	21	**23.8**	30.2
Total non-current liabilities		**44.3**	445.8
Trade and other payables	18	**157.9**	162.0
Corporation tax liabilities		**1.3**	6.0
Borrowings and lease liabilities	19	**370.9**	4.8
Derivative financial instruments	20	**0.2**	–
Total current liabilities		**530.3**	172.8
Total liabilities		**574.6**	618.6
Net assets		**478.3**	447.0
Equity attributable to owners of the Company:			
Share capital	22	**0.1**	0.1
Share premium account	23	**241.5**	240.2
Merger reserve	23	**88.2**	88.2
Hedging reserve	23	**(0.2)**	–
Foreign exchange reserve	23	**21.2**	(4.7)
Retained earnings	23	**127.5**	123.2
Total equity		**478.3**	447.0

The notes on pages 23 to 57 form an integral part of the consolidated financial statements.

The financial statements on pages 18 to 57 were approved and authorised for issue by the Board of Directors on 28 April 2023 and were signed on its behalf by:

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RJ PALING
Director

CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended 30 June 2022

(In £m)	Note	2022	2021
Operating activities			
Profit for the year before tax		**3.0**	51.8
Finance costs	9	**14.0**	9.7
Profit from operations		**17.0**	61.5
Adjustments for:			
Amortisation of intangible fixed assets		**52.2**	51.1
Impairment of intangible fixed assets		**8.3**	2.6
Depreciation of property, plant and equipment		**7.8**	6.5
Decrease in fair value of contingent consideration payable	8	**–**	(5.9)
Profit on sale of intangible assets	8	**(0.3)**	–
Payment of increased fair value of contingent consideration	28	**–**	(33.2)
Currency revaluation on contingent consideration	8	**–**	(1.6)
Equity-settled share-based payment expense	6	**11.8**	3.7
Operating cash flows before movements in working capital		**96.8**	84.7
Increase in inventories		**(9.5)**	(15.2)
Decrease/(Increase) in trade and other receivables		**32.2**	(47.9)
(Decrease)/Increase in trade and other payables		**(7.3)**	45.1
Cash generated from operations		**112.2**	66.7
Income taxes paid		**(13.4)**	(15.6)
Interest paid		**(8.8)**	(10.6)
Net cash flows from operating activities – continuing operations		**90.0**	40.5
Net cash flows from operating activities – discontinued operations	29	**–**	4.7
Net cash flows from operating activities		**90.0**	45.2
Investing activities			
Purchase of intangible fixed assets	12	**(14.8)**	(23.2)
Purchase of property, plant and equipment	13	**(9.1)**	(5.1)
Deferred contingent consideration on purchase of subsidiaries	28	**(1.0)**	(34.7)
Proceeds from sale of intangible assets		**0.3**	–
Proceeds from sale of business, net of cash disposed	29	**–**	3.1
Net cash flows used in investing activities – continuing operations		**(24.6)**	(59.9)
Net cash flows used in investing activities – discontinued operations	29	**–**	(0.6)
Net cash flows used in investing activities		**(24.6)**	(60.5)

CONSOLIDATED STATEMENT OF CASH FLOWS (continued) for the year ended 30 June 2022

(In £m)	Note	2022	2021
Financing activities			
Issue of shares	22	**1.3**	–
Proceeds from increase in loan	19	–	7.6
Loan repayments	19	**(32.2)**	(30.9)
Principal element of lease payments	19	**(4.0)**	(3.4)
Step acquisition of Clinigen Ireland Limited	28	–	(1.8)
Dividends paid	11	**(7.2)**	(10.1)
Net cash flows used in financing activities – continuing operations		**(42.1)**	(38.6)
Net cash flows used in financing activities – discontinued operations	29	–	(0.3)
Net cash flows used in financing activities		**(42.1)**	(38.9)
Net increase/(decrease) in cash and cash equivalents		**23.3**	(54.2)
Cash and cash equivalents at 1 July	17	**82.9**	143.1
Foreign exchange gains/(losses)		**1.5**	(6.0)
Cash and cash equivalents at 30 June	17	**107.7**	82.9

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2022

(In £m)	Share capital (Note 22)	Share premium account	Merger reserve	Hedging reserve	Foreign exchange reserve	Retained earnings	Total equity
At 1 July 2021	**0.1**	**240.2**	**88.2**	**–**	**(4.7)**	**123.2**	**447.0**
Loss for the year	–	–	–	–	–	**(0.1)**	**(0.1)**
Currency translation differences	–	–	–	–	**24.3**	–	**24.3**
Net investment hedge, net of tax	–	–	–	–	**1.6**	–	**1.6**
Cash flow hedges							
– Effective portion of fair value movements	–	–	–	**(0.4)**	–	–	**(0.4)**
– Transfers to the income statement (revenue)	–	–	–	**0.2**	–	–	**0.2**
Total comprehensive income	–	–	–	**(0.2)**	**25.9**	**(0.1)**	**25.6**
Issue of shares	–	**1.3**	–	–	–	–	**1.3**
Employee share schemes (note 26)	–	–	–	–	–	**11.8**	**11.8**
Deferred taxation on employee share schemes	–	–	–	–	–	**(0.2)**	**(0.2)**
Dividends paid (note 11)	–	–	–	–	–	**(7.2)**	**(7.2)**
Total transactions with owners of the Company, recognised directly in equity	–	**1.3**	–	–	–	**4.4**	**5.7**
At 30 June 2022	**0.1**	**241.5**	**88.2**	**(0.2)**	**21.2**	**127.5**	**478.3**

(In £m)	Share capital (Note 22)	Share premium account	Merger reserve	Hedging reserve	Foreign exchange reserve	Retained earnings	Total equity
At 1 July 2020	0.1	240.2	88.2	(0.1)	17.7	99.5	445.6
Profit for the year	–	–	–	–	–	30.3	30.3
Currency translation differences	–	–	–	–	(26.2)	–	(26.2)
Net investment hedge, net of tax	–	–	–	–	3.8	–	3.8
Cash flow hedges							
– Effective portion of fair value movements	–	–	–	0.6	–	–	0.6
– Transfers to the income statement (revenue)	–	–	–	(0.5)	–	–	(0.5)
Total comprehensive income	–	–	–	0.1	(22.4)	30.3	8.0
Employee share schemes (note 26)	–	–	–	–	–	3.7	3.7
Step-acquisition of Clinigen Ireland Limited	–	–	–	–	–	(0.2)	(0.2)
Dividends paid (note 11)	–	–	–	–	–	(10.1)	(10.1)
Total transactions with owners of the Company, recognised directly in equity	–	–	–	–	–	(6.6)	(6.6)
At 30 June 2021	0.1	240.2	88.2	–	(4.7)	123.2	447.0

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 30 June 2022

1. ACCOUNTING POLICIES

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

Basis of preparation

These consolidated financial statements have been prepared under the historical cost convention, modified to include revaluation to fair value of certain financial instruments, in accordance with international accounting standards in conformity with the requirements of the UK-adopted International Accounting Standards and with the Companies Act 2006 as applicable to companies reporting under those standards ('adopted IFRS').

The preparation of these financial statements requires the use of certain critical accounting estimates. It also requires Group management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 2.

The accounting policies set out below have, unless otherwise stated, been applied consistently throughout the year presented in these financial statements. These financial statements are presented in pounds sterling, which is the Group's presentation currency and all financial information has been rounded to the nearest £0.1m.

Going concern

The Group's strategy and forecasts, taking account of sensitivities within the trading projections and possible changes in trading performance, show that the Group has adequate resources to continue in operational existence for the foreseeable future. At 30 June 2022, the Group had £108m (2021: £83m) of cash balances along with a further £24m (2021: £32m) of undrawn borrowing facility available, which combined with the Group's positive cash generation from each of its operations, provides sufficient funding for ongoing trading even after taking into consideration potential severe but plausible risk factors.

The post balance sheet disposals (note 30) will provide a considerable cash inflow for the Group, further mitigating any going concern risk.

After making appropriate enquires, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for at least twelve months from the date of approval of the financial statements. Therefore, the Company and Group continues to adopt the going concern basis in preparing its financial statements. Further information on the Group's borrowing facilities is given in note 19.

Changes in accounting policies

There have been no accounting standards, amendments or interpretations effective for the first time in these financial statements which have had a material impact on the financial statements.

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement', IFRS 7 'Financial Instruments: Disclosures' and IFRS 16 'Leases' was effective for Clinigen from 1 July 2021 and had no material impact on the Group's financial results.

These Phase 2 amendments provide relief from certain requirements in IFRS Standards. These reliefs relate to modifications of financial instruments, lease contracts or hedging relationships due to the transition from interbank offered rates (IBOR) to alternative benchmark interest rates. If the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost, changed as a direct consequence of interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to that immediately preceding the change, the basis for determining the contractual cash flows is updated prospectively by revising the effective interest rate.

When changes are made to hedging instruments, hedged items and hedged risk as a result of interest rate benchmark reform, the Group updates the hedge documentation without discontinuing the hedging relationship and, in the case of a cash flow hedge, the amount accumulated in the cash flow hedge reserve is deemed to be based on the alternative benchmark rate on which the hedged future cash flows are determined.

There are no other new standards, amendments to existing standards, or interpretations that are not yet effective, that are expected to have a material impact on the Group's financial results. Accounting developments are routinely reviewed by the Group and its financial reporting systems are adapted as appropriate.

1. ACCOUNTING POLICIES (continued)

Basis of consolidation

The consolidated financial statements present the results of the Company and its subsidiaries as if they formed a single entity. Subsidiaries are those entities where the Company has the ability to control the activities of and decisions made by that entity and to receive economic benefits that can be affected by that control.

The results of subsidiaries acquired during the year are included in the Group results from the date on which control is transferred to the Group. Accounting policies of subsidiaries are changed when necessary to ensure consistency with the accounting policies adopted by the Group. There are no significant restrictions on the Group's ability to access or use assets and settle liabilities of the Group.

Associates are accounted for using the equity method.

Intercompany transactions and balances are eliminated on consolidation.

Foreign currency

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in sterling, being the currency of the primary economic environment in which the Parent Company operates. This is the Group's presentation currency.

(b) Transactions and balances

Transactions entered into by Group entities in a currency other than the currency of the primary economic environment in which they operate (their 'functional currency') are recorded at the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign currency monetary assets and liabilities are translated at the exchange rates prevailing at the reporting date. All foreign exchange gains and losses are presented in the income statement within administrative expenses.

(c) Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency. Assets and liabilities for each statement of financial position presented are translated at the closing exchange rate on the date of that statement. Income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions). All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign exchange reserve.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal would be transferred to the income statement as part of the profit or loss on disposal.

Share-based payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the income statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the income statement over the remaining vesting period.

1. ACCOUNTING POLICIES (continued)

Non-underlying items

Non-underlying items are material items of income or expense which the Directors consider are not related to the normal trading activities of the Group and are therefore separately disclosed as non-GAAP measures to enable full understanding of the Group's financial performance. These include one-off items relating to acquisitions e.g. acquisition costs and the costs of restructuring post-acquisition; amortisation of intangible assets arising on acquisition and acquired products; movements of deferred or contingent consideration; and the release of the fair value adjustment made to inventory acquired through a business combination. The associated tax impact of these items is also reported as non-underlying.

Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate geographic area of operation or a separate major line of business. Classification as a discontinued operation occurs upon disposal or earlier if the operation meets the criteria to be classified as held-for-sale. Discontinued operations are presented in the Group income statement as a separate line and are shown net of tax.

When an operation is classified as a discontinued operation, comparatives in the Group income statement and the Group statement of comprehensive income are re-presented as if the operation had been discontinued from the start of the comparator year.

Intangible assets

Goodwill

Goodwill represents the excess of the cost of a business combination over, in the case of business combinations completed prior to 1 July 2010, the Group's interest in the fair value of identifiable assets, liabilities and contingent liabilities acquired.

For business combinations completed after 1 July 2010, goodwill represents the excess of the cost of a business combination over the Group's interest in the fair value of identifiable assets, liabilities and contingent liabilities including those intangible assets identified under IFRS 3 'Business Combinations'.

Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the income statement. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the income statement on the acquisition date as a non-underlying item.

Goodwill is not amortised, but is assessed for impairment annually or more frequently if events or changes indicate a potential impairment. Goodwill arising on business combinations is allocated to the associated cash-generating units ('CGUs') based on the particular segment that it relates to. This is then assessed against the discounted cash flows of the CGUs for impairment.

Brand

The brand reflects the cash flows associated with the Idis brand acquired in April 2015; the Link, Homemed and Equity brands purchased in October 2015; the Quantum brand purchased in November 2017, and the CSM brand purchased in October 2018. Each brand was recognised following the associated business combination and is initially recognised at the fair value of the asset at the acquisition date. The carrying value of the brand is calculated as cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the fair value cost of the asset over its estimated useful life. The estimated useful lives range between 10 and 20 years. The amortisation expense is recognised within non-underlying administrative expenses in the income statement.

Contracts

Contracts acquired in a business combination are recognised at fair value on the acquisition date. The contracts recognised as intangible assets relate to those with key suppliers which were identified as important to the trade of the acquired business. The supply of product on a contractual and often exclusive basis is a key value driver and was a key element in the decision to acquire the Idis and Link businesses.

The contracts have a finite life and are amortised over the contractual term. Amortisation is scheduled to follow the expected economic benefits, recognising the fair value cost of acquiring these contracts against the revenues generated from them. This is normally on a straight-line basis over the term of the contract. The amortisation expense is recognised within non-underlying administrative expenses in the income statement on a reducing balance basis.

1. ACCOUNTING POLICIES (continued)

Intangible assets (continued)

Customer relationships

The customer relationships within acquired operating businesses can be separately identified. The customer relationships have been initially recognised following a business combination at the fair value of the asset at the acquisition date.

Amortisation is scheduled to follow the expected economic benefits of each asset over their estimated useful lives, as follows:

Link	– between 6 and 9 years (straight-line)
CTS	– 7 years (straight-line)
Idis	– between 7 and 14 years (straight-line)
Quantum	– 13 years (reducing balance)
CSM	– 15 years (reducing balance)
iQone	– 15 years (reducing balance)

The amortisation expense is recognised within non-underlying administrative expenses in the income statement.

Trademarks and licences

Separately acquired trademarks and licences are initially recognised at cost, being the fair value of the purchase price of the asset and any directly attributable cost of acquiring the asset and preparing it for its intended use.

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group intends, has the technical ability and has sufficient resources to complete development, future economic benefits are probable and if the Group can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve a plan or design for the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development expenditure is recognised in the consolidated income statement as an expense as incurred. Internally developed trademarks and licences are held as assets under construction during development and amortisation commences when the development is complete and the asset is available for use.

The carrying value of trademarks and licences is calculated as cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of the trademarks and licences over their estimated useful lives of between 5 and 15 years. The amortisation expense is recognised within underlying administrative expenses in the income statement, apart from where the trademarks or licences are acquired as part of a business combination or product acquisition which is recognised within non-underlying administrative expenses.

Computer software

Computer software is capitalised and recognised at cost, being the purchase price of the asset and any directly attributable costs of developing the asset for its intended use including internal staff costs for time spent specifically on development activities. The carrying value of computer software is calculated as cost less accumulated amortisation and impairment losses. Amortisation begins when the computer software comes into use and is calculated using the straight-line method to allocate the cost over its estimated useful life of three to seven years. The amortisation expense is recognised within underlying administrative expenses in the income statement.

Impairment reviews

Goodwill is assessed for impairment annually or more frequently if events or changes indicate a potential impairment. Other intangibles are reviewed for impairment if a trigger is identified. The carrying value of individual intangible and tangible assets is compared to the recoverable amount, which is the higher of value-in-use and the fair value less costs to sell. An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows (the CGUs). Goodwill is allocated on initial recognition to each of the Group's CGUs that are expected to benefit from the synergies of the combination giving rise to the goodwill.

Non-financial assets, other than goodwill, that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

1. ACCOUNTING POLICIES (continued)

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any recognised impairment loss. Cost comprises the purchase price and directly attributable amounts to bring the asset into operation.

Depreciation is provided on all items of property, plant and equipment at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful economic life, as follows:

Land and buildings	– 25 years
Leasehold improvements	– remaining term of lease to which the improvements relate
Plant and machinery	– 20% per annum
Fixtures, fittings and equipment	– 20% to 33% per annum

Leases

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 less any lease incentive receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for termination of the lease, if the lease term reflects the Group exercising that option.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the Group's incremental borrowing rate is used, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

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

Each right-of-use asset is depreciated over the shorter of its useful economic life and the lease term on a straight-line basis unless the lease is expected to transfer ownership of the underlying asset to the Group, in which case the asset is depreciated to the end of the useful life of the asset.

Payments associated with the short-term leases are recognised on a straight-line basis as an expense in the income statement. Short-term leases are leases with a lease term of 12 months or less.

Investments

Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recorded at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition.

Inventories

Inventories are initially recognised at cost and subsequently stated at the lower of cost and net realisable value. The first in, first out or an average method of valuation is used. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity. Net realisable value is the estimated selling price less applicable variable selling expenses. Provisions are made for slow moving and damaged inventories. Inventories which have expired are fully provided for until they are destroyed, when they are written off.

A number of arrangements exist where the Group holds inventories on consignment. Under these arrangements such inventories are only recognised in the statement of financial position when the risks and rewards of ownership are transferred to the Group.

1. ACCOUNTING POLICIES (continued)

Derivative financial instruments and hedging activities

The Group uses derivative financial instruments to mitigate its exposure to foreign currency exchange risk on cash flow transactions. Derivative financial instruments are recognised initially at their fair value and remeasured at fair value at each period end. Where appropriate the Group designates hedge relationships for hedge accounting under IFRS 9 'Financial Instruments'.

Where hedge accounting has been applied, changes in the fair value of derivative financial instruments designated as cash flow hedges are recognised in other comprehensive income to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised immediately in the income statement. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in other comprehensive income remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognised in other comprehensive income is transferred to the carrying amount of the asset when it is recognised. In other cases, the amount recognised in other comprehensive income is transferred to the income statement in the same period that the hedged item affects profit or loss. The designation is re-evaluated at each reporting date.

The gain or loss on remeasurement to fair value of derivatives that have not been designated for hedge accounting is recognised immediately in the income statement. Foreign forward exchange derivative gains and losses are recognised net.

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge as well as any associated income tax expense or credit is recognised in other comprehensive income and accumulated in the foreign exchange reserve.

Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, where they are recognised at fair value. The Group holds trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The expected loss rates are based on payment profiles and historic credit losses. The historic loss rates are adjusted to reflect current and forward looking information on macro-economic factors to the extent they are relevant to the customers' ability to settle. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the movement in the provision being recognised within administrative expenses in the income statement. The gross carrying value of the asset is written off against the associated provision when the Group's right to the cash flows expires.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other highly-liquid cash investments.

Borrowings

Borrowings are initially recognised at fair value net of transaction costs, including facility fees incurred. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. Facility fees paid on the establishment of facilities and for the maintenance of the facility are capitalised against the loans and borrowings balance. These are amortised as the loan is repaid with the associated amortisation expense recognised in finance costs.

Trade and other payables

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. They are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

1. ACCOUNTING POLICIES (continued)

Deferred and contingent consideration

Deferred consideration payable in cash in respect of the acquisition of intangible assets is recognised initially at its fair value at the date of acquisition. The difference between the fair value of the deferred consideration and the amounts payable in the future is recognised as a finance cost over the deferment period.

Contingent consideration on business combinations is initially measured at fair value and is payable in cash. The fair value of the contingent liability is remeasured at each period end and the change in fair value is recognised in the income statement as a non-underlying item.

The contingent consideration liability is classified as a current liability if payment is due within one year or less. If not, it is presented as a non-current liability.

Retirement benefits: defined contribution schemes

Contributions to defined contribution pension schemes are charged to the income statement in the year to which they relate. The Group has no further payment obligations once the contributions have been paid.

Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, it is more likely than not that an outflow of economic benefits will be required to settle the obligation and the obligation can be estimated reliably. Provisions are discounted if the impact is deemed to be material.

Dividends

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when paid. In the case of final dividends, this is when approved by the shareholders.

Current and deferred taxes

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, 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.

The current tax charge, including UK corporation tax and foreign tax, is calculated on the basis of the laws that have been enacted or substantively enacted by the balance sheet date. Provisions are established, where appropriate, on the basis of amounts expected to be paid.

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated statement of financial position differs from its tax base, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit; and
- investments in subsidiaries and associates where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the differences can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the deferred tax liabilities or assets are settled or recovered.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- the same taxable Group company; or
- different company entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets and liabilities are expected to be settled or recovered.

1. ACCOUNTING POLICIES (continued)

Share capital

Financial instruments issued by the Group are treated as equity only to the extent that they do not meet the definition of a financial liability. The Group's ordinary shares are classified as equity instruments.

Revenue

Revenue represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales-related taxes.

Supply of products

Revenue from the supply of products is recognised, at a point in time, when the Group has transferred control to the buyer. These criteria are normally considered to be met when the goods are delivered to the buyer, or on fulfilment of a prescription. Revenue is recognised at the fair value of consideration received or receivable.

Revenue from the supply of products in relation to charged for Managed Access Programs is recognised based on Clinigen being the principal in the transaction given the Group takes title and bears the inventory risk. The revenue and cost of sales on these arrangements are typically the same value and is therefore referred to as 'pass through revenue'. Net revenue defined as revenue excluding the pass through from Managed Access is an Alternative Performance Measure used by the Group as it allows management to assess the performance of the business after removing the distortion of pass through revenue which varies depending on the mix of 'charged for' and 'free of charge' programs in the period.

Service fees

All services provided in relation to Managed Access Programs and product development contracts are contractually agreed with the product originator. Revenue for these services is recognised in the period in which the services are provided. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided, because the customer receives and uses the benefits simultaneously. Estimates of revenues, costs or extent of progress toward completion are reviewed if circumstances change. Any resulting increase or decrease in estimated revenues or costs is reflected in profit or loss in the period in which the circumstances that give rise to the review become known to management.

Contracted program setup fees can be either for the whole project or triggered by milestones being achieved which are laid out in the contract. Revenue is recognised in relation to these fees over time as contracted milestones are achieved.

Monthly management fees are recognised as revenue over time as contractual services are provided.

Revenue in respect of program management fees is recognised, at a point in time, when goods, provided under the program, have been dispatched to the customer for whom the management fee relates.

Royalties

Royalty income is earned on product distribution agreements based upon a percentage of sales made by the distribution partner. As these sales-based royalties are on the licensing of the right to use the Group's intellectual property, revenue is only recognised at a point in time once the relevant product sales occur.

Revenue in all years principally arises from the three income streams discussed above. Further information is available in note 4.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimates

Sale of products wholesale

Certain products are sold to wholesalers with provisions to return product as a result of expiry dates being reached and for reimbursement from Clinigen for sale of product at below Wholesaler Acquisition Cost ('WAC'), known as chargebacks, where agreements are in place with healthcare providers. Revenue is recognised net of an estimate of reimbursements expected. Accumulated experience is used to estimate and provide for the reimbursements and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A liability (included in trade and other payables) is recognised for expected returns, rebates and chargebacks payable to customers in relation to sales made until the end of the reporting period.

The adjustment to revenue during the year for returns, chargebacks and rebates is £0.6m (2021: £10.0m). A 1% change in the estimated returns rate would result in a £0.9m (2021: £1.0m) additional adjustment to revenue.

Judgements

Managed Access judgment of being a principal

Managed Access Programs provide a service for clients to distribute unlicensed products before the product is licensed in key markets. Clinigen charges the end customer for the product supplied at the price determined by the client which results in a pass through of revenue. A judgment is taken by management that Clinigen is operating as principal in the transaction based on the Group taking title to the product and bearing inventory risk. As a result, Clinigen recognises the amounts charged to customers for this activity as revenue.

Other estimates

Carrying value of goodwill and other intangible assets

The Group tests whether goodwill has suffered any impairment on an annual basis in accordance with the requirements of IAS 36 and in line with the accounting policy stated in note 1. Material trademarks and licences balances held for acquired and developed products are also reviewed for impairment triggers and where required an impairment review is performed.

The fair value of these assets are determined based on value-in-use calculations which requires management's estimation of future cash flows and the choice of a discount rate and terminal growth rate in order to calculate the net present value of the cash flows.

From their testing, management have not identified an impairment and sensitivity calculations indicate that there is a significant level of headroom. However due to the uncertainty inherent in the estimation of future forecasts over a long time period and the material nature of the intangible assets, management wanted to highlight these estimates. Further information on goodwill impairment including carrying values and sensitivities is included in note 12.

3. ALTERNATIVE PERFORMANCE MEASURES

The Group's performance is assessed using a number of non-GAAP financial measures which are not defined under IFRS. These measures are therefore considered alternative performance measures.

Management uses the adjusted or alternative measures as part of their internal financial performance monitoring and when assessing the future impact on operating decisions. Management also considers certain metrics at constant currency which is derived by applying the prior year's average exchange rate to this year's result.

The measures allow more effective year-on-year comparison and identification of core business trends by removing the impact of items occurring either outside the normal course of operations or as a result of intermittent activities such as business combinations and restructuring. The principles to identify adjusting items have been applied to the current and prior year comparative numbers on a consistent basis.

Alternative performance measure	Related IFRS measure	Definition	Use/relevance
Net revenue	Revenue	Revenue excluding the pass through revenue from Managed Access.	The year-on-year growth in revenue can be impacted by a change in the mix of 'charged for' and 'free of charge' Managed Access Programs. Net revenue allows management and users of the accounts to assess the performance of the business after removing the pass through revenue.
EBITDA	Profit from operations	Consolidated earnings before interest, tax, depreciation and amortisation.	Provides management with an approximation of cash generation from operational activities.
Adjusted EBITDA	Profit from operations	Consolidated earnings before interest, tax, depreciation, amortisation and adjusting items: transaction costs, restructuring costs adjustments to contingent consideration arising from earnouts on acquisitions exceptional impairments Including share of associate EBITDA	Provides management with an approximation of cash generation from operational activities after removing he distortion of large/unusual items or transactions that are not reflective of the underlying performance of the business.
Adjusted profit before tax	Profit before tax	Profit before tax excluding adjusting items: As detailed above for adjusted EBITDA Amortisation of acquisition-related intangible assets, non-underlying finance costs, Associate tax charge	Allows management to assess the performance of the business after removing the distortion of large/unusual items or transactions that are not reflective of the routine business operations.
Net debt	Borrowings	Net debt comprises the carrying value of all bank loans and drawn revolving credit facilities net of unamortised loan issue costs and cash and cash equivalents. All amounts are closing balances as at the relevant balance sheet date.	Provides management with the level of leverage in the business and is used in the covenant calculations for the revolving credit facility.
Adjusted Operating cash flow	Cash flow from operating activities	Operating cash flow is net cash flow from operating activities before income taxes and interest and exceptional costs. Adjusted operating cash flow excludes the element of CSM acquisition consideration recognised in operating cash flow to show the underlying results of the business.	Provides management with a view of the level of EBITDA converted into cash.

Adjusted operating cash flow of £131.8m is £19.6m higher than statutory cash generated from operations resulting from the payment of £19.6m exceptional costs.

A reconciliation of borrowings to net debt is given in note 19.

The table below provides a reconciliation of the other adjusted measures to their related IFRS measure.

3. ALTERNATIVE PERFORMANCE MEASURES (continued)

	2022			2021		
(In £m)	Underlying	Non-underlying (note 8)	Total	Underlying	Non-underlying (note 8)	Total
Net revenue	**491.9**	–	**491.9**	458.6	–	458.6
Pass through revenue	**96.1**	–	**96.1**	65.0	–	65.0
Revenue	**588.0**	–	**588.0**	523.6	–	523.6
Cost of sales	**(383.5)**	**(0.5)**	**(384.0)**	(325.6)	(0.1)	(325.7)
Gross profit	**204.5**	**(0.5)**	**204.0**	198.0	(0.1)	197.9
Administrative expenses excluding amortisation and depreciation	**(86.2)**	**(32.5)**	**(118.7)**	(81.8)	5.6	(76.2)
EBITDA	**118.3**	**(33.0)**	**85.3**	116.2	5.5	121.7
Analysed as:						
Adjusted EBITDA	**118.3**	**(33.0)**	**85.3**	116.3	5.5	121.8
Associate EBITDA	–	–	–	(0.1)	–	(0.1)
EBITDA excluding associate result	**118.3**	**(33.0)**	**85.3**	116.2	5.5	121.7
Amortisation and impairment	**(11.5)**	**(49.0)**	**(60.5)**	(9.2)	(44.5)	(53.7)
Depreciation	**(7.8)**	–	**(7.8)**	(6.5)	–	(6.5)
Profit from operations	**99.0**	**(82.0)**	**17.0**	100.5	(39.0)	61.5
Finance costs	**(13.0)**	**(1.0)**	**(14.0)**	(8.3)	(1.4)	(9.7)
Profit before income tax	**86.0**	**(83.0)**	**3.0**	92.2	(40.4)	51.8
Analysed as:						
Adjusted profit before tax	**86.0**	**(83.0)**	**3.0**	92.3	(40.5)	51.8
Associate tax	–	–	–	(0.1)	0.1	–
Profit before tax	**86.0**	**(83.0)**	**3.0**	92.2	(40.4)	51.8
Income tax	**(14.8)**	**11.0**	**(3.8)**	(17.8)	5.7	(12.1)
Profit for the year from continuing operations	**71.2**	**(72.0)**	**(0.8)**	74.4	(34.7)	39.7
Profit/(Loss) for the year from discontinued operations	–	**0.7**	**0.7**	0.2	(9.6)	(9.4)
Profit attributable to owners of the Company	**71.2**	**(71.3)**	**(0.1)**	74.6	(44.3)	30.3

Constant currency

Constant currency is derived by applying the prior year's average exchange rate to this year's result. The constant currency net revenue is £500.6m and adjusted EBITDA is £120.9m.

4. REVENUE

All revenue arises from contracts with customers and is recognised at a point in time or over time in accordance with the Group accounting policies.

Business line analysis

(In £m)	2022	2021
Disaggregation of revenue from continuing operations:		
Products	**91.2**	106.4
Partnered	**116.6**	94.3
On-Demand	**48.2**	47.6
CTS	**127.6**	114.4
CSM	**85.4**	76.9
Managed Access	**126.1**	92.6
Services	**503.9**	425.8
Inter-segment eliminations	**(7.1)**	(8.6)
Total revenue from external customers	**588.0**	523.6

Geographical analysis

(In £m)	2022	2021
UK	**109.8**	97.2
Europe	**222.0**	167.3
USA	**106.7**	129.8
South Africa	**36.1**	33.3
Australia	**26.6**	24.7
Rest of World	**86.8**	71.3
Total revenue from external customers	**588.0**	523.6

5. EXPENSES

5.1 Expenses

Profit from operations is stated after the following:

(In £m)	2022	2021
Cost of inventories recognised as an expense in cost of sales	**318.2**	286.9
Employee benefit expense (net of capitalised costs of £1.1m (2021: £0.9m))	**72.3**	54.7
Amortisation and depreciation	**60.0**	57.6
Impairment of intangible assets	**8.3**	2.6
Foreign exchange gains	**1.6**	0.3

5. EXPENSES (continued)

5.2 Auditors' remuneration

During the year, the Group (including its overseas subsidiaries) obtained the following services from the Company's auditors and its associates:

(In £m)	2022	2021
Fees payable to the Company's auditor for the audit of the Company and consolidated financial statements	**0.4**	0.4
Fees payable to the Company's auditors for other services:		
– The audit of the Company's subsidiaries	**0.3**	0.3
– Audit related assurance services	**0.1**	0.2
– Tax advisory and compliance services	**–**	0.2

6. STAFF COSTS AND NUMBERS

6.1 Employee benefit expense

(In £m)	2022	2021
Wages and salaries	**53.0**	46.2
Share-based payment expense (note 26)	**11.8**	3.7
Social security costs	**6.8**	4.0
Other pension costs	**1.8**	1.7
Gross expense	**73.4**	55.6
Capitalised labour	**(1.1)**	(0.9)
Net expense	**72.3**	54.7

6.2 Average number of people employed

The average monthly number of people employed by the Group (on an FTE basis) during the financial year amounted to:

Number	2022	2021
Directors	**2**	2
Staff	**1,069**	1,011
Total	**1,071**	1,013

7. DIRECTORS' REMUNERATION

(In £m)	2022	2021
Aggregate emoluments	**1.8**	1.4
Compensation for loss of office	**0.2**	–
Total	**2.0**	1.4

On 24 August 2021, Nick Keher stepped down as a director of the Company and upon leaving the company on 27 February 2022 he received a termination payment of £219,600.

The aggregate remuneration of the highest paid director was £1.1m (2021: £1.0m) which included pension payments of £nil (2021: £nil). During the year two directors including the highest paid director received and exercised options under long term incentive schemes.

8. NON-UNDERLYING ITEMS

Non-underlying items have been reported separately in order to provide the reader of the financial statements with a better understanding of the operating performance of the Group. These items include amortisation of intangible assets arising on acquisition and acquired products, one-off costs including business and product acquisition costs, restructuring costs, changes in deferred and contingent consideration, impairments and unwind of discount on contingent consideration. The associated tax impact is also reported as non-underlying.

(In £m)	**2022**	2021
Cost of sales		
a) Impairment of Foscavir (2021: Totect) inventories	**0.5**	0.1
Administrative expenses		
b) Costs related to the Triton acquisition	**30.5**	–
c) Restructuring costs	**2.0**	1.9
d) Change in the fair value of contingent consideration (note 28)	**–**	(5.9)
e) Impairment of IP related to Proleukin and Foscavir (2021: Imukin) (note 12)	**8.3**	2.6
f) Foreign exchange revaluation on deferred and contingent consideration	**–**	(1.6)
g) Amortisation of intangible fixed assets acquired through business combinations and acquired products	**40.7**	41.9
	81.5	38.9
Finance costs		
h) Unwind of discount on deferred and contingent consideration on acquisitions	**–**	1.3
b) Costs related to the Triton acquisition	**1.0**	0.1
	1.0	1.4
Taxation		
i) Credit in respect of tax on non-underlying expenses	**(11.0)**	(9.9)
j) Deferred tax charge from change in future UK tax rate	**–**	4.2
	(11.0)	(5.7)
Total continuing non-underlying items	**72.0**	34.7
k) Recognition of contingent consideration asset	**(0.7)**	–
Total non-underlying items	**71.3**	34.7

a) During the year, the Directors took the decision to end sales of the Foscavir in a bag formulation and as a result the remaining inventories were written off.
b) As a result of the acquisition by Triton the Group incurred a number of one-off costs including legal fees, advisory fees, employee share-scheme settlement costs and insurances which have been treated as non-underlying. The Group also recognised the remaining unamortised issue costs on its banking facilities through finance costs.
c) Restructuring costs have been incurred during the period and in the prior year in respect of changes to senior management across several areas of the business to align with the Group's new strategic focus.
d) In the prior year there was a £5.9m reduction in the fair value of the contingent consideration liability for the iQone acquisition due to a change in forecasts.
e) An impairment charge has been recognised against the book value of IP for Proleukin and Foscavir relating to developments of the products which are no longer considered commercially viable, as well as certain generic products under development. (2021: impairment of Imukin)
f) Contingent consideration on iQone is denominated in foreign currency. The revaluation of these liabilities is treated as non-underlying as they relate to one-off items and do not reflect the underlying trading of the Group.
g) The amortisation of intangible assets acquired as part of business combinations (namely brand, trademarks and licences, customer relationships, and contracts) and acquired products, is included in non-underlying due to its significance and to provide the reader with a consistent view of the underlying costs of the operating Group.
h) The non-cash unwind of the discount applied to the contingent consideration on the iQone acquisition.
i) The tax credit in respect of non-underlying items reflects the tax benefit on the costs incurred.

8. NON-UNDERLYING ITEMS (continued)

j) Due to the change in the UK tax rate from 19% to 25% from 1 April 2023, an increase in the deferred tax liability on acquired intangibles of £4.2m has been recognised (see note 10).
k) Recognition of contingent consideration from the prior year sale of the UK Specials Manufacturing and Aseptic Compounding business.

9. FINANCE COSTS

(In £m)	**2022**	2021
Bank interest expense	**8.3**	10.4
Borrowing costs	**0.7**	0.3
Foreign exchange charge / (credit) on borrowings	**3.4**	(3.0)
Unwind of discount on lease liabilities	**0.6**	0.6
Underlying finance costs	**13.0**	8.3
Unwind of discount on deferred and contingent consideration on acquisitions	**–**	1.3
Acquisition costs	**1.0**	0.1
Total finance costs	**14.0**	9.7

10. INCOME TAX EXPENSE

(In £m)	**2022**	2021
Current tax expense		
UK corporation tax	**–**	8.1
Overseas tax at local prevailing rates	**9.6**	8.6
Adjustment in respect of prior years	**(1.2)**	0.8
Total current tax expense	**8.4**	17.5
Deferred tax credit		
Origination and reversal of temporary differences	**(5.1)**	(6.9)
Adjustment to tax charge in respect of prior years	**0.5**	(2.7)
Adjustments in respect of tax rates	**–**	4.2
Total deferred tax credit	**(4.6)**	(5.4)
Total income tax expense	**3.8**	12.1

10. INCOME TAX EXPENSE (continued)

The tax on the Group's total profit before income tax differs from the theoretical amount that would arise using the standard rate of corporation tax in the UK applied to profit for the year as follows:

(In £m)	2022	2021
Profit before income tax	**3.7**	51.8
Expected tax charge based on corporation tax rate of 19.0%	**0.7**	9.8
Expenses not deductible for tax purposes	**8.2**	0.9
Income not taxable	**(1.0)**	(2.1)
Tax relief for employee share schemes	**(2.2)**	(0.1)
Adjustments to tax charge in respect of prior years	**(0.7)**	(1.9)
Effect of tax rate change	**(1.3)**	–
Group relief claimed for no payment	**(2.2)**	–
Recognition/utilisation of previously unrecognised tax losses	**–**	(0.5)
De-recognition of previously recognised tax losses	**–**	0.4
Change in deferred tax rate	**–**	4.2
Higher rates of taxes on overseas earnings	**2.3**	1.4
Total income tax expense	**3.8**	12.1

Further information on deferred tax movements and balances is provided in note 21.

Amounts recognised directly in equity

The income tax charged directly to equity during the year is as follows:

(In £m)	2022	2021
Unexercised share options and losses recognised directly in equity	**0.2**	–
Net investment hedge	**(0.4)**	(0.9)
	(0.2)	(0.9)

11. DIVIDENDS

(In £m)	2022	2021
Final dividend in respect of the year ended 30 June 2021 of 5.46p (2021: 5.46p) per ordinary share	**7.2**	7.2
Interim dividend of nil (2021: 2.15p) per ordinary share paid during the year	**–**	2.9
	7.2	10.1

The directors do not recommend a dividend be paid for FY22.

12. INTANGIBLE ASSETS

(In £m)	Acquired intangibles: Brand	Acquired intangibles: Contracts	Acquired intangibles: Customer relationships	Acquired intangibles: Acquired trademarks and licences	Developed trademarks and licences	Computer software	Goodwill	Total
Cost								
At 1 July 2020	68.3	28.5	137.6	291.7	10.3	35.3	384.4	956.1
Additions	–	–	–	7.2	3.9	12.1	–	23.2
Disposal of business	(9.3)	–	(1.3)	–	–	(0.3)	(4.4)	(15.3)
Other disposals	–	–	–	–	–	(0.3)	–	(0.3)
Exchange differences	(0.3)	(0.1)	(4.9)	(16.4)	(0.1)	(0.3)	(9.3)	(31.4)
At 30 June 2021	**58.7**	**28.4**	**131.4**	**282.5**	**14.1**	**46.5**	**370.7**	**932.3**
Additions	**–**	**–**	**–**	**2.1**	**3.4**	**9.3**	**–**	**14.8**
Exchange differences	**0.4**	**0.4**	**2.1**	**18.7**	**(0.2)**	**0.1**	**5.0**	**26.5**
At 30 June 2022	**59.1**	**28.8**	**133.5**	**303.3**	**17.3**	**55.9**	**375.7**	**973.6**
Accumulated amortisation								
At 1 July 2020	18.0	22.6	63.2	56.9	1.0	6.1	–	167.8
Charge for the year	4.5	1.0	17.1	20.2	0.9	8.6	–	52.3
Impairment	–	–	–	2.6	–	–	–	2.6
Disposal of business	(3.4)	–	(0.8)	–	–	(0.1)	–	(4.3)
Other disposals	–	–	–	–	–	(0.3)	–	(0.3)
Exchange differences	(0.1)	(0.1)	(2.5)	(1.4)	–	–	–	(4.1)
At 30 June 2021	**19.0**	**23.5**	**77.0**	**78.3**	**1.9**	**14.3**	**–**	**214.0**
Charge for the year	**3.5**	**1.1**	**13.6**	**22.5**	**2.5**	**9.0**	**–**	**52.2**
Impairment	**–**	**–**	**–**	**7.8**	**0.5**	**–**	**–**	**8.3**
Exchange differences	**0.2**	**0.3**	**0.6**	**3.3**	**–**	**0.1**	**–**	**4.5**
At 30 June 2022	**22.7**	**24.9**	**91.2**	**111.9**	**4.9**	**23.4**	**–**	**279.0**
Net book value								
At 30 June 2022	**36.4**	**3.9**	**42.3**	**191.4**	**12.4**	**32.5**	**375.7**	**694.6**
At 30 June 2021	39.7	4.9	54.4	204.2	12.2	32.2	370.7	718.3
At 30 June 2020	50.3	5.9	74.4	234.8	9.3	29.2	384.4	788.3

12. INTANGIBLE ASSETS (continued)

Brand

The brands represent the Idis, Link, Equity, Homemed and CSM brands acquired as part of business combinations. Each brand has been fair valued at the acquisition date by reference to the operating businesses acquired which utilise each brand. The fair value is based on a Relief-from-Royalty-Method which calculates the value of the brand as equivalent to the royalty savings accrued over time, as the brand is owned and royalties are not required to be paid to a third party for the branding of products. The remaining amortisation periods are:

Idis	– 13 years 10 months
Link	– 14 years 4 months
Equity	– 9 years 4 months
Homemed	– 4 years 4 months
CSM	– 2 years 3 months

Contracts

Contracts acquired with the Idis business combination related to client contracts within the Idis Managed Access business fair valued at the acquisition date based on the discounted value of future cash flows. These contracts enable the Group to manage the access programs on behalf of large pharma businesses. The remaining amortisation period is less than 1 year.

The acquired Link business had a number of supplier contracts which provided for the availability of product to Link on a contractual, exclusive supply basis. This accessibility to product is a key driver in growing the business. These exclusive supply contracts have been fair valued at the acquisition date based on the discounted value of future cash flows. The remaining amortisation period is between 2 and 5 years.

Customer relationships

The nature of the acquired businesses is that there are no contracts with customers, however there are long-standing relationships with significant repeat business. These relationships have been fair valued at the acquisition date using a discounted valuation of future cash flows. The customer relationships for each area of the business are being amortised over different useful economic lives (see note 1). The remaining amortisation period is between 2 and 14 years.

Trademarks and licences

Trademarks and licences include the rights to pharmaceutical products which are either acquired or developed internally in line with the Group's strategy.

Trademarks and licences are reviewed for impairment triggers on an annual basis, and where they are identified a full impairment review is carried out as required by IAS 36. The recoverable amount of each asset under review has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections over a period of ten years and a pre-tax discount rate of 10% (2021: 10%), equivalent to the Group's weighted average cost of capital.

As a result of these reviews, the decision was taken to impair the book value of trademarks and licences by £8.3m, £7.8m related to the Foscavir and Proleukin assets and £0.5m of generic assets under development. In the prior year an impairment of £2.6m was recognised against the book value of Imukin. These impairment losses were recognised within non-underlying administrative expenses (see note 8).

£6.7m (2021: £7.2m) of internally developed trademarks and licences are assets in the course of development at the year end.

Computer software

Having implemented its Oracle ERP system, the Group is now building on this infrastructure to enable a more streamlined and high quality digital platform enabling better engagement with customers, the costs for which are being recognised as incurred. Amortisation started when the first major phase of the new system was brought into use.

12. INTANGIBLE ASSETS (continued)

Goodwill

Goodwill is deemed to have an indefinite useful life. It is carried at cost and is reviewed annually for impairment. Where the recoverable amount is less than the carrying value, an impairment is made. During the year, goodwill was tested for impairment, with no impairment charge arising.

During the year, Group's management evaluated the reporting segments and determined that a reorganisation from two to six reportable segments would better align the business to specific markets and market opportunities. These six reporting segments are considered to be cash generating units ('CGUs') in their own right, being the lowest level at which independent cash flows can be generated. In the prior year two CGUs were reported: Products and Services.

Goodwill has been allocated as laid out in the table below.

(In £m)	**2022**	2021
Partnered	**15.1**	
On demand	**23.6**	
Managed access	**119.5**	
CTS	**33.6**	
CSM	**91.9**	
Products	**92.0**	
	375.7	
Comparative (not restated)		
Products		133.0
Services		237.7
		370.7

The recoverable amount of all CGUs has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections over a period of five years and a pre-tax discount rate of 10% (2021: 10%), equivalent to the Group's weighted average cost of capital.

For each CGU, a terminal growth rate of between -1.0% and +2.5% (2021: +2%) has been used. Cash flow forecasts have been based on gross profit growth assumptions which are based on approved budgets for the upcoming year and strategic projections representing the best estimate of future performance utilising the Group's current asset base. The gross profit growth used in the forecast period for each CGU are laid out in the table below.

	2022	2021
Partnered	**10%**	
On demand	**8%**	
Managed access	**13%**	
CTS	**9%**	
CSM	**11%**	
Products	**7%**	
Comparative (not restated)		
Products		1%
Services		6%

12. INTANGIBLE ASSETS (continued)

Goodwill (continued)

The Group has applied sensitivities to assess whether any reasonably possible changes in assumptions rate could cause an impairment that would be material to these financial statements. Management does not consider any of the downside sensitivities required for an impairment to result, as detailed below, to be probable.

	2022		2021	
	Discount rate	**Terminal growth rate***	Discount rate	Terminal growth rate
Rate required to eliminate headroom in impairment assessment:				
Partnered	**45.8%**	**n/a**		
On demand	**20.6%**	**(142.8)%**		
Managed access	**10.5%**	**1.7%**		
CTS	**29.0%**	**n/a**		
CSM	**22.1%**	**n/a**		
Products	**17.8%**	**(66.7)%**		
Comparative (not restated)				
Products			23.5%	(59.1)%
Services			16.2%	(10.5)%

*n/a indicates that there is no terminal growth rate change that would lead to an impairment.

13. PROPERTY, PLANT AND EQUIPMENT

(In £m)	Land and buildings	Leasehold improvements	Plant and machinery	Fixtures, fittings and equipment	Total
Cost					
At 1 July 2020	4.7	5.8	1.5	8.4	20.4
Additions	–	1.8	0.7	3.1	5.6
Disposal of business	(1.5)	–	(0.9)	(1.2)	(3.6)
Other disposals	–	(0.1)	–	(0.3)	(0.4)
Exchange differences	(0.3)	(0.4)	(0.1)	(0.3)	(1.1)
At 30 June 2021	**2.9**	**7.1**	**1.2**	**9.7**	**20.9**
Additions	**3.0**	**3.1**	**0.2**	**2.8**	**9.1**
Other disposals	**–**	**(0.3)**	**–**	**(0.1)**	**(0.4)**
Exchange differences	**0.4**	**0.4**	**–**	**0.9**	**1.7**
At 30 June 2022	**6.3**	**10.3**	**1.4**	**13.3**	**31.3**
Accumulated depreciation					
At 1 July 2020	0.4	2.2	0.6	3.8	7.0
Charge for the year	0.2	0.7	0.3	1.6	2.8
Disposal of business	(0.2)	–	(0.4)	(1.0)	(1.6)
Other disposals	–	(0.1)	–	(0.3)	(0.4)
Exchange differences	–	(0.2)	(0.1)	(0.2)	(0.5)
At 30 June 2021	**0.4**	**2.6**	**0.4**	**3.9**	**7.3**
Charge for the year	**0.2**	**1.1**	**0.1**	**1.7**	**3.1**
Other disposals	**–**	**(0.3)**	**–**	**(0.1)**	**(0.4)**
Exchange differences	**0.1**	**0.2**	**–**	**0.3**	**0.6**
At 30 June 2022	**0.7**	**3.6**	**0.5**	**5.8**	**10.6**
Net book value					
At 30 June 2022	**5.6**	**6.7**	**0.9**	**7.5**	**20.7**
At 30 June 2021	2.5	4.5	0.8	5.8	13.6
At 30 June 2020	4.3	3.6	0.9	4.6	13.4

14. RIGHT-OF-USE ASSETS

(In £m)	Land and buildings	Plant and machinery	Fixtures, fittings and equipment	Total
Cost				
At 1 July 2020	22.3	0.8	0.5	23.6
Additions	4.6	3.1	–	7.7
Disposal of business	(4.6)	(0.1)	–	(4.7)
Other disposals	(0.3)	–	–	(0.3)
Exchange differences	(0.6)	–	(0.1)	(0.7)
At 30 June 2021	**21.4**	**3.8**	**0.4**	**25.6**
Additions	**5.8**	**0.6**	–	**6.4**
Other disposals	**(1.7)**	–	–	**(1.7)**
Exchange differences	**(0.1)**	**0.3**	–	**0.2**
At 30 June 2022	**25.4**	**4.7**	**0.4**	**30.5**
Accumulated depreciation				
At 1 July 2020	2.8	0.3	0.1	3.2
Charge for the year	3.8	0.4	0.1	4.3
Disposal of business	(0.6)	(0.1)	–	(0.7)
Other disposals	(0.2)	–	–	(0.2)
Exchange differences	–	(0.1)	–	(0.1)
At 30 June 2021	**5.8**	**0.5**	**0.2**	**6.5**
Charge for the year	**3.6**	**1.0**	**0.1**	**4.7**
Other disposals	**(1.2)**	–	–	**(1.2)**
Exchange differences	**0.4**	**0.2**	–	**0.6**
At 30 June 2022	**8.6**	**1.7**	**0.3**	**10.6**
Net book value				
At 30 June 2022	**16.8**	**3.0**	**0.1**	**19.9**
At 30 June 2021	15.6	3.3	0.2	19.1
At 30 June 2020	19.5	0.5	0.4	20.4

15. INVENTORIES

(In £m)	2022	2021
Raw materials and consumables	**17.1**	18.2
Work in progress	**0.3**	0.5
Finished goods and goods for resale	**49.0**	37.9
	66.4	56.6

15. INVENTORIES (continued)

The cost of inventories recognised as an expense and included in cost of sales amounted to £318.2m (2021: £286.9m from continuing operations), including £7.4m write down of stock to net realisable value

During the year, the decision was taken to discontinue sales of Foscavir in a bag and as a result there was a one-off write down of stock valued at £0.5m which was classified as non-underlying (see note 8).

16. TRADE AND OTHER RECEIVABLES

(In £m)	**2022**	2021
Trade receivables	**99.8**	123.3
Less: provision for impairment of trade receivables	**(1.1)**	(0.8)
Trade receivables – net	**98.7**	122.5
Accrued income	**11.0**	9.1
Prepayments	**13.6**	19.0
Contingent consideration receivable	**0.7**	–
Other receivables	**9.1**	12.6
Total trade and other receivables	**133.1**	163.2

The Group applies the simplified approach under IFRS 9 to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The expected loss rates are based on payment profiles and historic credit losses. The historic loss rates are adjusted to reflect current and forward looking information on macro-economic factors to the extent they are relevant to the customers' ability to settle. Due to the short-term nature of trade and other receivables, the book value approximates to their fair value save for where specific provision for impairment has been made.

The following table provides information on the movement in the provision for impairment in the year:

(In £m)	**2022**	2021
At 1 July	**0.8**	1.0
Disposal of business	–	(0.1)
Utilised in respect of debts written off	**(0.1)**	(0.2)
Released to the income statement	**(0.4)**	–
Charged to the income statement	**0.8**	0.1
At 30 June	**1.1**	0.8

The ageing analysis of the gross trade receivables balances and provisions including loss allowances is as follows:

(In £m)	Gross		Provisions	
	2022	2021	**2022**	2021
Not past due	**57.3**	89.1	**0.1**	–
Up to 3 months past due	**32.0**	23.6	**0.3**	0.1
3 to 6 months past due	**5.8**	8.5	**0.2**	0.2
More than 6 months past due	**4.7**	2.1	**0.5**	0.5
	99.8	123.3	**1.1**	0.8

17. CASH AND CASH EQUIVALENTS

(In £m)	2022	2021
Cash at bank and in hand	**107.7**	82.9

18. TRADE AND OTHER PAYABLES

	2022		2021	
(In £m)	**Current**	**Non-current**	Current	Non-current
Trade payables	**84.8**	**–**	74.1	–
Tax and social security	**3.5**	**–**	4.6	–
Other payables	**1.1**	**–**	1.3	–
Accruals and deferred income	**68.5**	**–**	82.0	–
Contingent consideration (note 28)	**–**	**0.8**	–	1.7
	157.9	**0.8**	162.0	1.7

The contingent consideration of £0.8m (2021: £1.7m) relates to the iQone acquisition is payable in the year ending 30 June 2024 which is contingent on the adjusted EBITDA generated by iQone in the 12 months to 31 December 2023. The undiscounted fair value of the contingent consideration is €1.0m.

Due to the short-term nature of current trade and other payables, the fair value approximates to their book value. Creditors are unsecured.

19. BORROWINGS AND LEASE LIABILITIES

The book value of loans and borrowings are as follows:

(In £m)	2022	2021
Loans from related party	**366.3**	–
Bank borrowings	**–**	395.9
Lease guarantee provided to divested business	**0.9**	0.9
Lease liabilities	**23.4**	21.9
Total borrowings and lease liabilities	**390.6**	418.7

Prior to the acquisition of the Group by Triley Bidco Limited in April 2022, it had access to a multi-currency debt facility of £430m comprising an unsecured £180m term loan with a single repayment in 2023 and an unsecured revolving credit facility of up to £250m. There were two covenants that applied to this bank facility: interest cover of not less than 4.0x and net debt/adjusted EBITDA cover of not more than 3.0x (excluding IFRS 16). The Company has no history of default on its borrowings, including against its covenant terms.

Following the Group's acquisition, the existing facility was repaid in full, in part by the Group and in part on its behalf by Triley Bidco Limited. In its place, Triley Bidco Limited has provided an intercompany loan facility of £390m denominated entirely in sterling which is interest free and repayable on demand. At 30 June 2022, the Group had drawn down £366.3m of the total facility.

19. BORROWINGS AND LEASE LIABILITIES (continued)

Maturity of borrowings and lease liabilities

The maturity profile of the carrying amount of the Group's borrowings and lease liabilities at the year end was as follows:

	2022			2021		
(In £m)	**Gross borrowings**	**Unamortised issue costs**	**Net borrowings**	Gross borrowings	Unamortised issue costs	Net borrowings
Within 1 year	**370.9**	**–**	**370.9**	4.8	–	4.8
In more than 1 year but less than 2 years	**4.1**	**–**	**4.1**	401.6	(1.6)	400.0
In more than 2 years but less than 5 years	**7.6**	**–**	**7.6**	13.9	–	13.9
In more than 5 years	**8.0**	**–**	**8.0**	–	–	–
	390.6	**–**	**390.6**	420.3	(1.6)	418.7

Fair value of borrowings

The fair values of the Group's borrowings are the same as the carrying amount and are within Level 3 of the fair value hierarchy.

Reconciliation of movements in net debt

(In £m)	Loan from related party	Bank borrowings	Financial guarantee	Lease liabilities	Unamortised issue costs	Total borrowings	Cash and cash equivalents	Net debt
At 1 July 2021	–	397.5	0.9	21.9	(1.6)	418.7	(82.9)	335.8
Cash flow before borrowings	–	–	–	–	–	–	**(59.5)**	**(59.5)**
Lease liability additions	–	–	–	**6.7**	–	**6.7**	–	**6.7**
Lease liability disposals	–	–	–	**(0.7)**	–	**(0.7)**	–	**(0.7)**
Drawdown of borrowings	**366.3**	**(366.3)**	–	–	–	–	–	–
Repayments of borrowings	–	**(32.2)**	–	**(4.0)**	–	**(36.2)**	**36.2**	–
Amortisation of facility issue costs	–	–	–	–	**1.6**	**1.6**	–	**1.6**
Exchange differences	–	**1.0**	–	**(0.5)**	–	**0.5**	**(1.5)**	**(1.0)**
At 30 June 2022	**366.3**	**–**	**0.9**	**23.4**	**–**	**390.6**	**(107.7)**	**282.9**

Total borrowings represent liabilities arising from financing activities.

During the year the external borrowing facility was repaid in full, in part by the Group, and in part on its behalf by its parent company, Triley Bidco Limited. In its place, Triley Bidco Limited has provided an intercompany loan facility of which the Group had drawn down £366.3m at 30 June 2022.

Leases

The Group leases various offices, warehouses, equipment and vehicles. Rental contracts are typically made for fixed periods of three to ten years but in the case of property, they often have extension options which are normally exercised. 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 cannot be used as security for borrowing purposes.

At 30 June 2022 the Group had right-of-use assets of £19.9m (see note 14) and lease liabilities of £23.4m.

There were no short-term or low value leases nor outstanding commitments for short term or low value leases at 30 June 2022. The total cash outflow in respect of lease liabilities during the year including interest and capital payments was £4.6m.

20. FINANCIAL INSTRUMENTS – RISK MANAGEMENT

The Group is exposed through its operations to the following financial risks:

- credit risk;
- *foreign exchange risk; and*
- liquidity risk.

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- trade and other receivables;
- cash and cash equivalents;
- trade and other payables;
- loans and borrowings; and
- *derivative financial instruments.*

The Group does not issue or use derivative financial instruments of a speculative nature.

A summary of the financial instruments held by category is provided below:

(In £m)	**2022**	2021
Financial assets measured at amortised cost		
Cash and cash equivalents	**107.7**	82.9
Trade and other receivables	**116.3**	150.2
Total financial assets	**224.0**	233.1
Financial liabilities measured at amortised cost		
Trade and other payables	**151.7**	159.1
Borrowings and lease liabilities	**390.6**	420.3
Derivatives used for hedging		
Derivative financial instruments	**0.2**	–
Total financial liabilities	**542.5**	579.4

Risk management

The Directors aim to reduce exposure to currency fluctuation using bank accounts denominated in the principal foreign currencies for payments and receipts. The Group seeks to optimise the matching of currency surpluses generated to the foreign currency needs of the wider Group, and where there is a sufficient visibility of currency needs. Hedging is in place for foreign exchange to help mitigate volatility and aid margin management. The Group does not issue or use financial instruments of a speculative nature and the Group's treasury function does not act as a profit centre.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales to customers. It is Group policy, implemented locally, to assess the credit risk of new customers by obtaining credit ratings before entering contracts or offering credit terms. The credit terms are then continually assessed on an individual basis, and amended accordingly, as a trading history is developed with the customer.

Quantitative disclosures of the credit risk exposure in relation to financial assets are set out below. Further disclosures regarding trade and other receivables at the end of the financial year, are provided in note 16.

20. FINANCIAL INSTRUMENTS – RISK MANAGEMENT (continued)

Credit risk (continued)

(In £m)	**2022**	2021
Financial assets – maximum exposure		
Cash and cash equivalents	**107.7**	82.9
Trade and other receivables	**116.3**	150.2
Total financial assets	**224.0**	233.1

Foreign exchange risk

Foreign exchange risk arises because the Group has operations located in various parts of the world whose functional currency is not the same as the functional currency in which the Group companies are operating. The Group's overseas subsidiaries contribute approximately 42% (2021: 49%) to the Group's revenue, all of which is transacted in non-sterling currencies. The overseas subsidiaries operate separate bank accounts, which are used solely for that subsidiary, thus managing the currency in that country. The Group's net assets arising from such overseas operations are exposed to currency risk resulting in gains or losses on retranslation into sterling.

Foreign exchange risk also arises when individual Group entities enter into transactions denominated in a currency other than their functional currency. The Group hedges currency transactions internally through currency bank accounts and by managing Group-wide currency requirements centrally. This reduces the currency risk exposure and allows retranslation of these balances into sterling to be planned in order to minimise the exposure to foreign exchange rate fluctuations. The Group uses forward contracts on large transactions where there is adequate visibility and the contract is not naturally hedged. This reduces the risk to fluctuating foreign exchange rates and permits the management better visibility and certainty of gross profit margins.

Forward exchange contracts are formally designated as hedges and hedge accounting is applied to the extent that the relationship between the hedged items and the hedging instrument allows it. Derivative financial instruments are carried at fair value. The mark-to-market valuation at the reporting date has been recognised in the balance sheet as a financial instrument asset or liability as appropriate.

At 30 June 2022 the Group had one (2021: zero) material forward exchange contract in place. The notional principal amount of the outstanding forward foreign exchange contract at 30 June 2022 was US$2.5m (2021: US$2.5m) with maturity in September 2022. The foreign currency forward contract is denominated in the same currency as the highly probable hedged transaction, therefore the hedge ratio is 1:1. The weighted average hedged rate for the year was US$1.35:£1.

In FY19, Clinigen Limited drew down €90m of its multi-currency debt facility to fund the CSM acquisition which was treated as a net investment hedge against the consolidated euro functional net assets of CSM, including goodwill. This arrangement continued until 11 April 2022 when the total loan was repaid.

The valuation of financial instruments at the reporting date is impacted by the foreign exchange rate at that date, primarily in respect of the US dollar and euro. At 30 June 2022, if sterling had weakened/strengthened by 10% against both the US dollar and euro with all variables held constant, profit for the year would have been £6.6m (2021: £5.3m) higher/lower as a result of foreign exchange gains/losses on translation of US dollar/euro trade receivables, cash and cash equivalents, and trade payables. The figure of 10% used for sensitivity analysis has been chosen because it represents a range of reasonable fluctuations in exchange rates.

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due.

The Board receives cash flow projections based on working capital modelling, as well as information regarding cash balances and net debt monthly. At the end of the financial year, these projections indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

20. FINANCIAL INSTRUMENTS – RISK MANAGEMENT (continued)

Liquidity risk (continued)

The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of financial liabilities:

(In £m)	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
At 30 June 2022					
Trade and other payables	**151.7**	–	**0.8**	–	–
Lease liabilities	**1.2**	**3.4**	**4.4**	**8.4**	**8.4**
Borrowings	366.3	–	–	–	**0.9**
At 30 June 2021					
Trade and other payables	157.0	0.4	–	1.9	–
Lease liabilities	1.3	3.5	4.3	14.2	–
Borrowings	2.6	7.8	432.5	–	–

Valuation hierarchy
The table below shows the financial instruments carried at fair value by valuation method:

(In £m)	**2022 Level 1**	**2022 Level 2**	**2022 Level 3**	2021 Level 1	2021 Level 2	2021 Level 3
Assets/(liabilities)						
Derivative financial instruments – forward foreign exchange contracts	–	**(0.2)**	–	–	–	–
Contingent consideration	–	–	**(0.8)**	–	–	(1.7)

The Level 2 forward foreign exchange valuations are derived from mark-to-market valuations as at 30 June 2022. Fair value gains of £nil (2021: £0.6m) relating to the movement on open forward foreign exchange contracts have been recognised in underlying administrative expenses. The Level 3 contingent consideration liability is the discounted amount payable in respect of the iQone acquisition. The amounts payable have been calculated based on the latest forecast of earnings during the respective earn-out periods.

Capital management
The Group monitors 'adjusted capital' which comprises all components of equity (i.e. share capital, share premium account, merger reserve, foreign exchange reserve, hedging reserve and retained earnings) as disclosed in the statement of changes in equity and long-term debt as detailed in note 19.

The Group's objectives when maintaining capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to ensure the Group has the cash available to develop the products and services provided by the Group in order to provide an adequate return to shareholders.

Pricing, sale and acquisition decisions are made by assessing the level of risk in relation to the expected return.

The Group sets the amount of capital it requires in proportion to risk. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Net debt is calculated as total borrowings less cash and cash equivalents (as detailed in note 19).

21. DEFERRED INCOME TAX

Deferred tax assets and liabilities are analysed after offset, to the extent there is a legally enforceable right, of balances within jurisdictions as follows:

(In £m)	2022	2021
Deferred tax assets	**9.3**	10.8
Deferred tax liabilities:		
Deferred tax liabilities to be settled after more than 12 months	**(19.5)**	(25.2)
Deferred tax liabilities within 12 months	**(4.3)**	(5.0)
	(23.8)	(30.2)

The movement on the deferred income tax account is as shown below:

(In £m)	Balance at 1 July 2021	Recognised in income statement	Recognised in equity	Foreign Exchange Adjustments	Balance at 30 June 2022	Deferred tax assets	Deferred tax liabilities	Net deferred tax liabilities
Intangible assets	**(30.9)**	**4.9**	–	**(0.3)**	**(26.3)**	–	**(26.3)**	**(26.3)**
Property, plant and equipment	**1.0**	**0.2**	–	–	**1.2**	**1.2**	–	**1.2**
Inventories	**6.7**	**(2.2)**	–	**0.4**	**4.9**	**4.9**	–	**4.9**
Leases	**0.5**	**(0.6)**	–	**0.1**	–	–	–	–
Share-based payments	**2.0**	**(1.8)**	**(0.2)**	–	–	–	–	–
R&D tax credits	**(1.7)**	**(0.6)**	–	–	**(2.3)**	–	**(2.3)**	**(2.3)**
Losses	**0.7**	**3.8**	–	–	**4.5**	**4.5**	–	**4.5**
US chargebacks accrual	**2.3**	**0.4**	–	**0.3**	**3.0**	**3.0**	–	**3.0**
Jurisdictional offset	–	–	–	–	–	**(5.7)**	**5.7**	–
Unremitted earnings	–	**(0.9)**	–	–	**(0.9)**	–	**(0.9)**	**(0.9)**
Corporate interest restriction	–	**1.4**	–	–	**1.4**	**1.4**	–	**1.4**
	(19.4)	**4.6**	**(0.2)**	**0.5**	**(14.5)**	**9.3**	**(23.8)**	**(14.5)**

(In £m)	Balance at 1 July 2020	Recognised in income statement	Disposal of business	Foreign Exchange Adjustments	Balance at 30 June 2021	Deferred tax assets	Deferred tax liabilities	Net deferred tax liabilities
Intangible assets	(34.8)	1.6	1.5	0.8	(30.9)	–	(30.9)	(30.9)
Property, plant and equipment	1.0	–	–	–	1.0	1.0	–	1.0
Inventories	6.1	1.1	–	(0.5)	6.7	6.7	–	6.7
Leases	0.6	–	(0.1)	–	0.5	0.5	–	0.5
Share-based payments	1.9	0.1	–	–	2.0	2.0	–	2.0
R&D tax credits	(1.7)	–	–	–	(1.7)	–	(1.7)	(1.7)
Losses	0.5	0.2	–	–	0.7	0.7	–	0.7
US chargebacks accrual	–	2.4	–	(0.1)	2.3	2.3	–	2.3
Jurisdictional offset	–	–	–	–	–	(2.4)	2.4	–
	(26.4)	5.4	1.4	0.2	(19.4)	10.8	(30.2)	(19.4)

21. DEFERRED INCOME TAX (continued)

Deferred tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. Deferred tax is calculated in full on temporary differences under the liability method using the enacted tax rate for the period when the temporary difference is expected to reverse.

The Group has not recognised a deferred income tax asset of £0.2m in respect of £1.3m of losses within Clinigen Healthcare Switzerland on the basis these may not be utilised before their expiry in 2024.

A deferred tax asset continues to be recognised in relation to profit in stock arising on intra-group sales of inventory on the basis Clinigen Inc. (the acquirer of the inventory) will generate sufficient taxable profits against which the temporary difference will reverse. A deferred tax asset is being recognised by Clinigen Inc. in relation to US chargebacks arising on Wholesaler discounted sales on the basis Clinigen Inc. will generate sufficient taxable profits against which the temporary difference will reverse.

Temporary differences associated with Group investments: At 30th June 2022 £0.9m of deferred tax liability was recognised in respect of unremitted earnings relating to non-UK subsidiaries in Australia and South Africa of £33.5m (2021: £35.3) where the it is probable the Group will repatriate accumulated earnings. No deferred tax liabilities have been recognised in respect of undistributed earnings of other non-UK subsidiaries amounting to £31.2m (2021: £22.9m) because the group is in a position to control the timing of any dividends from these subsidiaries and hence any tax consequences that may arise, and it is probable that the repatriation of the accumulated earnings of these foreign subsidiaries is not expected to take place in the foreseeable future.

22. SHARE CAPITAL

	Number of shares ('000s)
Issued and fully paid	Ordinary shares of 0.1p each
At 1 July 2020	132,899
Issue of new shares	130
At 30 June 2021	133,029
Issue of new shares	2,932
At 30 June 2022	**135,961**

(In £m)	**2022**	2021
Ordinary shares of 0.1p each	**0.1**	0.1

The Company does not have a limited amount of authorised share capital. The ordinary shares entitle the holder to participate in dividends and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held. Every holder is entitled to vote with each share entitled to one vote.

23. RESERVES

The following describes the nature and purpose of each reserve within equity:

Reserve	**Description and purpose**
Share premium account	Amount subscribed for share capital in excess of nominal value, except where recognition in merger reserve is used (see below).
Merger reserve	Amount subscribed for share capital in excess of nominal value when shares are issued in exchange for at least a 90% interest in the shares of another company.
Hedging reserve	Gains/losses arising on cash flow hedges.
Foreign exchange reserve	Gains/losses arising on retranslating the net assets of overseas operations into sterling.
Retained earnings	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

Included within the retained earnings reserve as at 30 June 2022 is £nil (2021: £11.5m) relating to unexercised share options which is not distributable.

24. CAPITAL COMMITMENTS

At 30 June 2022, the Group had capital commitments of £0.1m (2021: £0.4m).

25. POST-EMPLOYMENT BENEFITS

The Group operates a defined contribution pension scheme for the benefit of its employees. The assets of the scheme are held separately from those of the Group in an independently administered fund. Pension costs represent the contributions payable by the Group to the funds and amounted to £1.8m (2021: £1.8m) from continuing operations.

26. EMPLOYEE SHARE SCHEMES

An equity-settled share-based payment charge of £11.8m (2021: £3.7m) has been recognised in the year.

During the year, the Company operated the following schemes which are all equity-settled:

Plan	Tax authority status	Employees	Granting, vesting conditions and exercise of share options
Clinigen Group Long-Term Incentive Plan	Unapproved	All employees	Subject to performance criteria comparing total shareholder return versus the FTSE SmallCap Index (excluding investment companies) over a 3 year period. If the individual leaves earlier than the earliest vesting date, they may, if certain conditions are met, be still entitled to a proportion of the shares.
Clinigen Group Sharesave Plan	HMRC approved	All UK employees	Options are exercisable at a price equal to the average opening price as published in the Financial Times on the date of invitation and the 2 dealing days preceding the date of invitation, less 20%. 3 year vesting period. If options remain unexercised after a period of 6 months from the vesting date the options expire. If monthly contributions are not made for more than 6 months over the 3 year period, the options lapse.
Clinigen Group Company Share Option Plan	HMRC approved for UK employees Unapproved for US employees	All employees	Options granted to employees who have invested in the shares of the Company. Options are granted to match the shares acquired by the employee or those granted through the initial grant under the Sharesave or US Stock Purchase Plan. 3 year vesting period. Options vest if employee still owns shares in 3 years or exercises their options under the Sharesave or US Stock Purchase Plan.
Clinigen Group US Stock Purchase Plan	US tax authority approved	All US employees	Options are exercisable at a price equal to the average opening price as published in the Financial Times on the date of invitation and the 2 dealing days preceding the date of invitation, less 15%. 2 year vesting period.
Clinigen Group Long Term Incentive Plan 2015	Unapproved	All employees	Subject to performance criteria comparing total shareholder return versus the relevant index (FTSE SmallCap Index (excluding investment companies) for grants in FY2016 to FY2019 and the FTSE 250 for grants in FY2020) over a 3 year vesting period and a performance condition measuring the EPS of the Group against target EPS over a 3 year period. For certain individuals, vesting is also subject to achievement of personal objectives. If the individual leaves earlier than the earliest vesting date, entitlement is at the discretion of the Remuneration Committee.

26. EMPLOYEE SHARE SCHEMES (continued)

Clinigen Group All Staff Long Term Incentive Plan	Unapproved	All employees	Subject to performance criteria comparing total shareholder return versus the FTSE SmallCap Index (excluding investment companies) over a 3 year vesting period and a performance condition measuring the EPS of the Group against target EPS over a 3 year period. If the individual leaves earlier than the earliest vesting date, their share option lapses.

Details of the share options granted are as follows:

	2022		2021	
	Weighted average exercise price (p)	**Number**	Weighted average exercise price (p)	Number
As at 1 July	**0.70**	**3,236,726**	0.82	2,531,033
Granted during year	**0.53**	**1,275,294**	0.92	1,447,276
Forfeited during the year	**1.76**	**(1,157,668)**	1.08	(604,532)
Exercised during year	**0.37**	**(3,354,352)**	2.29	(137,051)
As at 30 June	–	–	0.70	3,236,726
Vested and exercisable at 30 June	–	–	0.27	407,624

The weighted average share price (at the date of exercise) of options exercised during the year was £9.07 (2021: £7.04).

As a result of the acquisition of the Group by Triley Bidco Limited in April 2022, all outstanding options vested early in accordance with the proposals set out in the scheme of arrangement and there are therefore no options outstanding at 30 June 2022.

The weighted average fair value of each option granted during the year was £5.02 (2021: £3.99).

The following information is relevant in the determination of the fair value of options granted during the year under the equity-settled share-based remuneration schemes operated by the Group. A stochastic valuation model is used to value awards with market-based conditions, and the Black-Scholes pricing model is used for all other schemes.

	2022	2021
Weighted average share price at grant date (£)	**6.27**	5.88
Exercise price (£)	**nil to 9.25**	nil to 7.09
Weighted average contractual life (in years)	**3.0**	3.0
Expected volatility (%)	**48.4**	44
Expected dividend yield (%)	N/A	N/A
Risk-free interest rate (%)	**0.5**	0

Expected volatility was determined by calculating the historical volatility of the Company's share price over the performance period immediately prior to the date of grant.

The Group did not enter into any share-based payment transactions with parties other than employees during the current or previous year.

27. RELATED PARTY TRANSACTIONS

Ultimate controlling party

The Company is a wholly owned subsidiary undertaking of Triley Holdco Limited. The Company's ultimate parent undertaking and ultimate controlling party is Triton Fund V which is managed and controlled by its general partners Triton Managers V Limited and TFF V Limited.

Subsidiary undertakings

A full list of the Company's subsidiary undertakings is given in note 14 to the Company financial statements. There are no significant non-controlling interests.

Compensation of Key management personnel

Key management personnel are those persons having authority and responsibility for managing, directing and controlling the activities of the group. This is considered to be the Board of Directors.

(In £m)	**2022**	2021
Wages and salaries	**1.8**	1.4
Compensation for loss of office	**0.2**	–
Share based payment expense	**1.6**	0.7
Total compensation of Key management personnel	**3.6**	2.1

Transactions with related parties

Novagen Pharma Pty Limited ('Novagen') is an associate in which the Group has a 45% interest. During the year the Group charged distribution fees of £0.3m (2021: £0.3m) to Novagen, and recharged costs of £0.4m (2021: £0.5m) for goods and services provided. At 30 June 2022, the Group had £0.1m (2021: £nil) receivable owing from Novagen.

From time to time, the Group receives services from Alan Boyd Consultants Limited, a company owned and managed by Alan Boyd who was one of the Group's non-executive Directors before resigning in April 2022. During the year the Group received services amounting to £0.1m (2021: £0.1m).

Following the Group's acquisition by Triley Bidco Limited, a loan agreement was put in place with Triley Bidco Limited to replace the Group's previous external debt facility. The total value of the facility is £390m denominated wholly in sterling. At 30 June 2022, the Group had drawn down £366.3m of this facility.

There were no other transactions with related parties during the year.

28. BUSINESS COMBINATIONS

28.1 Current year business combinations

There were no business combinations in the year ended 30 June 2022 (2021: none).

28.2 Prior year business combinations

The contingent consideration liability for the iQone acquisition decreased by £0.9m to £0.8m resulting from payment of £1.0m deferred consideration (2021: decreased from £5.9m to £1.7m following a review of the estimate of the likely payment). The liability was discounted at a rate of 10% (2021: 10%). A 100bps change in the discount rate would increase/decrease the fair value by £0.1m (2021: £0.1m), and a 10% change in the expected value of the EBITDA in the earn out period would increase/decrease the fair value by £0.1m (2021: £0.5m).

The contingent consideration liability outstanding at 30 June 2022 was £0.8m (2021: £1.7m). The movement in the year of £1.0m related to an initial cash payment.

In the prior year, the Group paid £67.9m (US$89.5m) as a final settlement of the CSM earn out in September 2020. £33.2m (US$43.8m) of this payment related to the increase in consideration from outperformance of the earn out over the original amount estimated which was recognised within cash flow from operations. The remaining £34.7m (US$45.7m) of this payment was the original estimate of the earn out at the time of acquisition and was recognised within cash used in investing activities.

Also in the prior year, The Group paid £1.8m in respect of the acquisition of the remaining 50% stake in Clinigen Ireland Limited following the exercise of its call option in June 2020. As this payment related to a change in ownership but not a change in control it was recognised within cash flows used in financing activities.

29. DISPOSALS AND DISCONTINUED OPERATIONS

On 30 June 2021, the Group completed the divestment of its non-core UK Specials Manufacturing and Aseptic Compounding business, and the results and cash flows of this business were classified as discontinued. As a result of this classification, the comparatives in the statement of comprehensive income and statement of cash flows as well as the supporting notes have been re-presented to separate the results for discontinued operations in accordance with the requirements of IFRS 5.

In the year ended 30 June 2022, the Group recognised an additional £0.7m of consideration on the divestment as the targets for the first element of the earn out, which are based on the performance of the Aseptic Compounding business in the 12 months to 30 June 2022, were exceeded, resulting in the maximum amount becoming payable.

Results for discontinued operations

(In £m)	**2021**
Revenue	**38.6**
Adjusted EBITDA	1.1
Restructuring costs	(0.1)
Amortisation and depreciation	(1.8)
Finance costs	(0.1)
Loss before tax	**(0.9)**
Income tax (expense)/credit	(0.2)
Loss after tax	**(1.1)**
Loss on disposal of discontinued operations	(8.3)
Loss for the year from discontinued operations	**(9.4)**

The amortisation and depreciation charge includes amortisation of acquired intangibles of £nil (2021: £1.1m).

Cash flows for discontinued operations

(In £m)	**2021**
Cash flows from operating activities	4.7
Cash flows used in investing activities	(0.6)
Cash flows used in financing activities	(0.3)
Net cash flow from discontinued operations	**3.8**

29. DISPOSALS AND DISCONTINUED OPERATIONS (continued)

Loss on disposal

In the year ended 30 June 2021, the Group recognised a total loss on disposal of £8.3m which is analysed as follows:

(In £m)	2021
Net assets disposed of (book value at date of disposal):	
Goodwill	4.4
Other intangible assets	6.6
Property, plant and equipment	2.0
Right-of-use assets	4.0
Deferred tax assets	0.1
Inventories	2.8
Trade and other receivables	16.1
Cash and cash equivalents	1.9
Trade and other payables	(18.7)
Corporation tax liabilities	(0.1)
Deferred tax liabilities	(1.5)
Lease liabilities	(4.8)
Net assets disposed of	**12.8**

Consideration received:	
Cash proceeds	5.0
Deferred consideration	1.1
Transaction costs	(0.7)
Recognition of guarantee on lease liability	(0.9)
Total net consideration	**4.5**
Loss on disposal	**8.3**

30. POST BALANCE SHEET EVENTS

On 25th November 2022, the Group acquired 100% of the share capital of Drug Safety Navigator LLC for US$7.5m, US$6m in cash and US$1.5m contingent consideration, to enhance the Clinigen Group's service offering.

On 23rd January 2023, the Group signed an agreement for the disposal of the worldwide rights to Proleukin to Iovance Biotherapeutics Inc. for up-front cash of £166.7m, a milestone payment of £41.7m upon first approval of Lifileucel and a perpetual double digit global sales royalty. The transaction is expected to close in May 2023, subject to required regulatory approvals and clearances and other customary closing conditions.

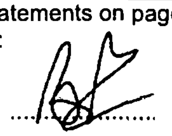
On 31st March 2023, the Group completed the disposal of Lamda Laboratories S.A ('Lamda') to Adragos Pharma GmbH for up-front cash of £26m for the entire share capital of Lamda.

COMPANY BALANCE SHEET as at 30 June 2022

(In £m)	Note	2022	2021
Assets			
Non-current assets			
Intangible assets	4	**50.8**	63.0
Property, plant and equipment	5	**0.3**	0.4
Right-of-use assets	6	**0.8**	0.3
Investments	7	**739.0**	739.0
Deferred tax assets	11	**4.1**	2.0
Total non-current assets		**795.0**	804.7
Current assets			
Trade and other receivables	8	**345.6**	429.6
Cash and cash equivalents		**3.6**	5.4
Total current assets		**349.2**	435.0
Total assets		**1,144.2**	1,239.7
Current liabilities			
Trade and other payables	9	**258.2**	278.0
Loans and borrowings	10	**366.6**	0.2
Total current liabilities		**624.8**	278.2
Net current (liabilities) / assets		**(275.6)**	156.8
Total assets less current liabilities		**519.4**	961.5
Non-current liabilities			
Trade and other payables	9	**0.8**	1.7
Loans and borrowings	10	**0.5**	396.0
Total non-current liabilities		**1.3**	397.7
Net assets		**518.1**	563.8
Capital and reserves			
Called up share capital	12	**0.1**	0.1
Share premium account		**241.5**	240.2
Merger reserve		**88.2**	88.2
At 1 July		**235.3**	259.0
Loss for the year attributable to the owners		**(51.4)**	(17.3)
Other changes in retained earnings		**4.4**	(6.4)
Retained earnings		**188.3**	235.3
Total equity		**518.1**	563.8

The financial statements on pages 58 to 70 were approved by the Board of Directors on 28 April 2023 and were signed on its behalf by:

RJ PALING
Director



COMPANY STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2022

(In £m)	Called up share capital (note 12)	Share premium account	Merger reserve	Retained earnings	Total equity
At 1 July 2021	**0.1**	**240.2**	**88.2**	**235.3**	**563.8**
Loss for the year	–	–	–	**(51.4)**	**(51.4)**
Issue of shares	–	**1.3**	–	–	**1.3**
Employee share schemes	–	–	–	**11.8**	**11.8**
Deferred taxation on employee share schemes	–	–	–	**(0.2)**	**(0.2)**
Dividends paid	–	–	–	**(7.2)**	**(7.2)**
Total transactions with owners of the Company, recognised directly in equity	–	**1.3**	–	**4.4**	**5.7**
At 30 June 2022	**0.1**	**241.5**	**88.2**	**188.3**	**518.1**

(In £m)	Called up share capital (note 12)	Share premium account	Merger reserve	Retained earnings	Total equity
At 1 July 2020	0.1	240.2	88.2	259.0	587.5
Loss for the year	–	–	–	(17.3)	(17.3)
Employee share schemes	–	–	–	3.7	3.7
Dividends paid	–	–	–	(10.1)	(10.1)
Total transactions with owners of the Company, recognised directly in equity	–	–	–	(6.4)	(6.4)
At 30 June 2021	0.1	240.2	88.2	235.3	563.8

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Share premium account	Amount subscribed for share capital in excess of nominal value, except where recognition in merger reserve is used (see below).
Merger reserve	Amount subscribed for share capital in excess of nominal value when shares are issued in exchange for at least a 90% interest in the shares of another company.
Retained earnings	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

NOTES TO THE COMPANY FINANCIAL STATEMENTS for the year ended 30 June 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements present information about Clinigen Limited ('the Company') as a separate entity and not about its Group. The accounting policies, set out in the consolidated financial statements, unless otherwise stated have been applied consistently to the year presented in these Company financial statements. The Company financial statements have been prepared and approved by the Directors in accordance with FRS 101.

Basis of preparation

The Company financial statements have been prepared on the going concern basis under the historical cost convention and in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards in conformity with the requirements of the Companies Act 2006. The financial statements are presented in sterling and all values are rounded to the nearest £0.1m except when otherwise stated.

Fees paid to PricewaterhouseCoopers LLP and its associates for audit and non-audit services to the Company itself are not disclosed in the individual financial statements of Clinigen Limited because the Group financial statements are required to disclose such fees on a consolidated basis (see note 5.2 of the consolidated financial statements).

Investments

Investments in subsidiaries are recorded at historical cost, less any provision for impairment.

Exemptions

The Company has elected to apply the exemption in Section 408 of the Companies Act and has not presented its separate statement of comprehensive income and related notes. It has also taken advantage of the exemptions under FRS 101 not to disclose related party transactions entered into between two or more members of the Group and not to prepare a cash flow statement. The Company has applied the exemption to not disclose Share-based payment, Fair value measurement or comparative disclosures for Property, Plant and Equipment or Intangible Asset notes. The Company has elected not to prepare disclosures under IFRS 7 in accordance with the exemptions under FRS 101. The Company's information relating to these disclosures are included within the consolidated financial statements of Clinigen Limited.

Critical accounting estimates and judgements

There are no judgements or accounting estimates with a significant risk of material adjustment in the next financial year.

2. STAFF COSTS

(In £m)	**2022**	2021
Staff costs (including Directors) comprise:		
Wages and salaries	**6.2**	8.2
Social security costs	**2.4**	0.7
Share-based payment expense	**11.8**	3.7
Other pension costs	**0.1**	0.1
Gross staff costs	**20.5**	12.7
Capitalised labour	–	(0.1)
Net staff costs	**20.5**	12.6

Contracts of employment for UK staff across the Group are held by Clinigen Limited. Employees are allocated to subsidiary companies as appropriate and the cost of the employees' services is charged to the relevant subsidiary. The disclosures for staff costs and employee numbers relate to those employees which are not recharged to subsidiary entities.

2. STAFF COSTS (continued)

Employee numbers

The average monthly full-time equivalent number of staff working for the Company (not reallocated to subsidiary companies) during the financial year amounted to:

Number	2022	2021
Directors	**2**	2
Staff	**40**	35
	42	37

Directors' remuneration

(In £m)	2022	2021
Aggregate emoluments	**1.8**	1.4
Compensation for loss of office	**0.2**	–
Total	**2.0**	1.4

On 24 August 2021, Nick Keher stepped down as a director of the Company and upon leaving the company on 27 February 2022 he received a termination payment of £219,600.

3. DIVIDENDS

(In £m)	2022	2021
Final dividend in respect of the year ended 30 June 2021 of 5.46p (2021: 5.46p) per ordinary share	**7.2**	7.2
Interim dividend of nil (2021: 2.15p) per ordinary share paid during the year	**–**	2.9
	7.2	10.1

The directors do not recommend that a final dividend be paid.

4. INTANGIBLE ASSETS

(In £m)	Trademarks and licences	Computer software	Total
Cost			
At 1 July 2021	66.0	34.9	100.9
Additions	**1.4**	**4.3**	**5.7**
At 30 June 2022	**67.4**	**39.2**	**106.6**
Accumulated amortisation and impairment			
At 1 July 2021	30.5	7.4	37.9
Charge for the year	**6.3**	**5.7**	**12.0**
Impairment charge	**5.9**	**–**	**5.9**
At 30 June 2022	**42.7**	**13.1**	**55.8**
Net book value			
At 30 June 2022	**24.7**	**26.1**	**50.8**
At 30 June 2021	35.5	27.5	63.0

5. PROPERTY, PLANT AND EQUIPMENT

(In £m)	Leasehold improvements	Furniture, fittings and equipment	Total
Cost			
At 1 July 2021	0.6	0.8	1.4
Additions	–	**0.1**	**0.1**
At 30 June 2022	**0.6**	**0.9**	**1.5**
Accumulated depreciation			
At 1 July 2021	0.4	0.6	1.0
Charge for the year	**0.1**	**0.1**	**0.2**
At 30 June 2022	**0.5**	**0.7**	**1.2**
Net book value			
At 30 June 2022	**0.1**	**0.2**	**0.3**
At 30 June 2021	0.2	0.2	0.4

6. RIGHT-OF-USE ASSETS

(In £m)	Land & Buildings	Total
Cost		
At 1 July 2021	0.9	0.9
Additions	**0.8**	**0.8**
Disposals	**(0.4)**	**(0.4)**
At 30 June 2022	**1.3**	**1.3**
Accumulated depreciation		
At 1 July 2021	0.6	0.6
Charge for the year	**0.3**	**0.3**
Disposals	**(0.4)**	**(0.4)**
At 30 June 2022	**0.5**	**0.5**
Net book value		
At 30 June 2022	**0.8**	**0.8**
At 30 June 2021	0.3	0.3

The right-of-use asset relates to property leased by the Company for office use. The disposal in the year relates to the expiration of the lease on the London office which was subsequently renewed creating a new right-of-use asset.

7. INVESTMENTS

(In £m)	2022	2021
Cost		
At 1 July	**739.0**	744.9
Impairment	**–**	(5.9)
At 30 June	**739.0**	739.0

In the year ended 30 June 2021, due to the change in future forecasts of the iQone business which resulted in a reduction in the recognised contingent consideration liability, a comparable impairment of £5.9m was recognised against the book value of the investment that the Company holds in Clinigen Healthcare Holding (Switzerland) SA which is the parent company of the iQone group of entities.

The Company directly holds interests in the whole of the issued share capital of the following undertakings.

Name	Country of incorporation	Nature of business
Clinigen Holdings Limited	UK	Holding company
Clinigen Pharma Limited	UK	Holding company
Clinigen Asia Pte. Limited	Singapore	Holding company
Quantum Pharma Holdings Limited	UK	Holding company
CSM Parent, Inc.	US	Holding company
Clinigen Healthcare Holding (Switzerland) SA	Switzerland	Holding company

All shareholdings in subsidiaries are owned 100% (2021: 100%) through the subsidiaries' ordinary share capital. A full list of the Company's subsidiary undertakings and their registered addresses is presented in note 14 of the Company only financial statements.

8. TRADE AND OTHER RECEIVABLES

(In £m)	2022	2021
Trade receivables	**0.1**	0.4
Amounts owed by Group undertakings	**343.7**	427.7
Prepayments and other debtors	**1.8**	1.5
	345.6	429.6

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

9. TRADE AND OTHER PAYABLES

	2022		2021	
(In £m)	**Current**	**Non-current**	Current	Non-current
Trade payables	**1.8**	**–**	2.3	–
Amounts owed to Group undertakings	**253.0**		269.6	
Tax and social security	**0.4**	**–**	2.6	–
Other creditors	**0.2**	**–**	0.2	–
Accruals and deferred income	**2.8**	**–**	3.3	–
Contingent consideration (note 28)	**–**	**0.8**	–	1.7
	258.2	**0.8**	278.0	1.7

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

The contingent consideration is payable in the year ending 30 June 2024 based on the adjusted EBITDA generated by the Group within the four EU markets of France, Germany, Italy and Spain in the 12 months to 31 December 2023.

10. LOANS AND BORROWINGS

The book value of loans and borrowings are as follows:

	2022			2021		
(In £m)	**Current**	**Non-current**	**Total**	Current	Non-current	Total
Bank borrowings	**366.3**	**–**	**366.3**	–	395.9	395.9
Lease liabilities	**0.3**	**0.5**	**0.8**	0.2	0.1	0.3
	366.6	**0.5**	**367.1**	0.2	396.0	396.2

Prior to the Company's acquisition in April 2022, it had access to a multi-currency debt facility of £430m comprising an unsecured £180m term loan with a single repayment in 2023 and an unsecured revolving credit facility of up to £250m. There were two covenants that applied to this bank facility: interest cover of not less than 4.0x and net debt/adjusted EBITDA cover of not more than 3.0x (excluding IFRS 16). The Company has no history of default on its borrowings, including against its covenant terms.

Following the Company's acquisition, the existing facility was repaid in full, partly by the Company and partly by its parent company, Triley Bidco Limited. In its place, Triley Bidco Limited has provided an intercompany loan facility of £390m denominated entirely in sterling which is interest free and repayable on demand. At 30 June 2022, the Company had drawn down £366.3m of the total facility.

11. DEFERRED TAX

The movement on the deferred tax account is as shown below:

Deferred tax assets (In £m)	Losses	Unexercised share options	Total
At 1 July 2020	–	1.9	1.9
Credit to the income statement	–	0.1	0.1
At 30 June 2021	–	**2.0**	**2.0**
Credit / (charge) to the income statement	**4.1**	**(1.8)**	**2.3**
Charge direct to equity	–	**(0.2)**	**(0.2)**
At 30 June 2022	**4.1**	–	**4.1**

12. CALLED UP SHARE CAPITAL

Issued and fully paid (ordinary shares of 0.1p each)	Number of shares ('000s)
At 1 July 2020	132,899
Issue of new shares	130
At 30 June 2021	**133,029**
Issue of new shares	**2,932**
At 30 June 2022	**135,961**

(In £m)	**2022**	2021
Ordinary shares of 0.1p each	**0.1**	0.1

The Company does not have a limited amount of authorised share capital.

13. FAIR VALUE MEASUREMENT

The table below analyses the fair value of the Company's assets and liabilities, into a fair value hierarchy based on the valuation technique used to determine fair value.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

(In £m)	**2022 Level 1**	**2022 Level 2**	**2022 Level 3**	2021 Level 1	2021 Level 2	2021 Level 3
Assets/(liabilities)						
Contingent consideration	–	–	**(0.8)**	–	–	(1.7)

The Level 3 contingent consideration liability is the discounted amount payable in respect of the iQone acquisition. The amounts payable have been calculated based on the latest forecast of earnings during the earn-out period.

There have been no transfers between Level 1, Level 2 or Level 3 during the year.

13. FAIR VALUE MEASUREMENT (continued)

Fair values of financial instruments

The fair values of all financial assets and financial liabilities by class together with their carrying amounts shown in the balance sheet are as follows:

(In £m)	Fair value 2022	Carrying amount 2022	Fair value 2021	Carrying amount 2021
Loans and receivables				
Cash and cash equivalents	**3.6**	**3.6**	5.4	5.4
Debtors excluding prepayments and taxes (note 8)	**343.8**	**343.8**	428.1	428.1
Total loans and receivables	**347.4**	**347.4**	433.5	433.5
Total financial assets	**347.4**	**347.4**	433.5	433.5
Financial liabilities measured at amortised cost				
Borrowings and lease liabilities	**(367.1)**	**(367.1)**	(396.2)	(396.2)
Creditors: amounts falling due within one year (note 9)	**(257.8)**	**(257.8)**	(275.4)	(275.4)
Creditors: amounts falling due after more than one year (note 9)	**(0.8)**	**(0.8)**	(0.7)	(0.7)
Total financial liabilities measured at amortised cost	**(625.7)**	**(625.7)**	(672.3)	(672.3)
Total financial liabilities	**(625.7)**	**(625.7)**	(672.3)	(672.3)
Total financial instruments	**(278.3)**	**(278.3)**	(238.8)	(238.8)

Management considers that the carrying amount of financial assets and liabilities recognised at amortised cost in the financial statements approximate their fair value. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

14. RELATED PARTY TRANSACTIONS

Transactions with related parties

The Directors are considered to be the key management personnel of the Company and their remuneration is disclosed in note 2.

Following the Company's acquisition by Triley Bidco Limited, a loan agreement was put in place with Triley Bidco Limited to replace the Company's previous external debt facility. The total value of the facility is £390m denominated wholly in sterling. At 30 June 2022, the Company had drawn down £366.3m of this facility.

There were no other transactions with related parties, other than the Company's subsidiaries.

Subsidiaries

The subsidiaries (direct and indirect) of Clinigen Limited as at 30 June 2022 were as follows:

Name	Nature of business	Country of incorporation
Clinigen Holdings Limited *	Holding company	UK[1]
Clinigen International Holdings Limited *	Holding company	UK[1]
Clinigen Healthcare Limited *	Supply of pharmaceutical products and services	UK[1]
Colonis Pharma Limited *	Development of pharmaceutical and related products	UK[2]
Clinigen, Inc.	Supply of pharmaceutical products and services	US[1]
Clinigen Ireland Limited	Manufacture and supply of pharmaceutical products	Ireland
Clinigen SP Limited *	Supply of pharmaceutical products	UK[1]
Clinigen Healthcare B.V.	Holding company	Netherlands
Clinigen Clinical Trials Limited	Dormant	UK[1]
Clinigen Pharma Limited *	Holding company	UK[1]
Clinigen GAP Limited	Dormant	UK[1]
Clinigen CTS Limited	Dormant	UK[1]
Clinigen Consulting Limited	Dormant	UK[1]
Keats Healthcare Limited	Dormant	UK[1]
Idis Group Holdings Limited *	Dormant	UK[1]
Idis Group Limited *	Dormant	UK[1]
Idis Limited *	Dormant	UK[1]
Idis MA Limited	Dormant	UK[1]
Idis GA Limited	Dormant	UK[1]
Idis Pharma Limited	Dormant	UK[1]
Clinigen Asia Pte. Limited	Holding company	Singapore
Link Healthcare Singapore Pte. Limited	Supply and distribution of pharmaceutical products	Singapore
Link Healthcare KK	Supply and distribution of pharmaceutical products	Japan
Clinigen KK	Supply and distribution of pharmaceutical products	Japan
International Medical Management Corporation KK	Supply and distribution of pharmaceutical products	Japan
Link Healthcare Sdn Bhd	Supply and distribution of pharmaceutical products	Malaysia

14. RELATED PARTY TRANSACTIONS (continued)

Subsidiaries (continued)

Name	Nature of business	Country of incorporation
Link Healthcare Hong Kong Limited	Supply and distribution of pharmaceutical products	Hong Kong
Clinigen Korea, LLC	Supply and distribution of pharmaceutical products	Korea
Link Medical Products (Pty) Limited	Supply and distribution of pharmaceutical products	Australia
Link Pharmaceuticals Limited	Supply and distribution of pharmaceutical products	New Zealand
Clinigen South Africa (Pty) Limited	Holding company	South Africa
Homemed Pty Limited	Supply and distribution of medical devices	South Africa
Equity Pharmaceuticals (Pty) Limited	Supply and distribution of pharmaceutical products	South Africa
Equity Medical Technologies (Pty) Limited	Supply and distribution of medical devices	South Africa
Equipharm Specialised Distribution (Pty) Limited	Distribution of medical products and devices	South Africa
Clinigen Kenya Limited	Supply and distribution of pharmaceutical products	Kenya
Link Healthcare (Pty) Limited	Holding company	Australia
Link Holding 1 (Pty) Limited	Holding company	Australia
Link Holding 2 (Pty) Limited	Holding company	Australia
PMIP (Pty) Limited	Dormant	Australia
Plurilinx (Pty) Limited	Dormant	South Africa
Chloromix (Pty) Limited	Holding company	South Africa
Quantum Pharma Holdings Limited *	Holding company	UK[2]
Quantum Pharma 2014 Limited *	Holding company	UK[2]
Quantum Pharma Group Limited *	Holding company	UK[2]
U L Medicines Limited *	Dormant	UK[2]
Protomed Limited	In liquidation	UK[3]
Lamda Pharma Limited *	Holding company	UK[2]
Lamda (UK) Limited *	Supply of pharmaceutical products	UK[2]
Lamda Laboratories SA	Development and supply of pharmaceutical products	Greece
Lamda Pharma SA	Development and supply of pharmaceutical products	Greece
Quantum Specials Trustee Limited	Dormant	UK[2]
NuPharm Group Limited	Dormant	UK[2]
Clinigen Clinical Supplies Management Parent, Inc.	Holding company	US[2]
Clinigen Clinical Supplies Management, Inc.	Provision of clinical packaging, labelling, warehousing, and distribution services	US[1]
Clinigen Clinical Supplies Management Holdings LLC	Holding company	US[1]
Clinigen Clinical Supplies Management SA	Provision of clinical packaging, labelling, warehousing, and distribution services	Belgium
Clinigen Clinical Supplies Management GmbH	Provision of clinical packaging, labelling, warehousing, and distribution services	Germany

14. RELATED PARTY TRANSACTIONS (continued)

Subsidiaries (continued)

Name	Nature of business	Country of incorporation
Clinigen Biological Sample Management, Inc.	Provision of clinical warehousing services	US[2]
Clinigen Clinical Supplies Management Belgium SRL	Holding company	Belgium
Clinigen Healthcare Holding (Switzerland) SA	Provision of medical information services	Switzerland
Clinigen Healthcare Switzerland Sàrl	Provision of medical information services	Switzerland
Clinigen Healthcare France S.A.S.	Provision of pharmaceutical services	France
Clinigen Healthcare Germany GmbH	Provision of medical information services	Germany
Clinigen Healthcare Italy Srl	Provision of medical information services	Italy
Clinigen Healthcare Spain S.L.	Provision of medical information services	Spain

Country	Registered office
UK[1]	Pitcairn House, Crown Square, Centrum 100, Burton-on-Trent, Staffordshire, DE14 2WW
UK[2]	25 Bedford Square, Bloomsbury, London, WC1B 3HH
UK[3]	Bulman House, Regent Centre, Gosforth, Newcastle Upon Tyne, NE3 3LS
US[1]	Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808
US[2]	300 Technology Drive, Malvern, Pennsylvania 19355
Singapore	9 Raffles Place, #27-00, Republic Plaza, Singapore, 048619
Japan	1-16-3, Nihonbashi, Chuo-Ku, Tokyo, 103-0027
Malaysia	Upper Penthouse, Wisma RKT, No 2, Jalan Raja Abdullah, Off Jalan Sultan Ismail, 50300 Kula Lumpur
Hong Kong	Room 1901, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay
Korea	#606, Daeryungtechno town 19th, 70, Gasan digital 2-ro, Geumcheon-gu, Seoul, Korea 08589
Australia	5 Apollo Street, Warriewood NSW 2102
New Zealand	RSM New Zealand, RSM House, Level 2, 62 Highbrook Drive, East Tamaki, Auckland, 2013
South Africa	100 Sovereign Drive, Route 21 Corporate Park, Nellmapius Drive, Irene 0157, Pretoria
Netherlands	Schiphol Boulevard 359, 1118 BJ Amsterdam Schiphol
Belgium	Rue Granbonpré 11, 1435 Mont-Saint-Guibert
France	20 Avenue René, Cassin, 69009, Lyon
Germany	Am Kronberger Hang 3, 65824 Schwalbach a. Ts.
Italy	Viale Abruzzi, 94, 20131 Milan
Spain	Calle de Génova 27– 1ª, 28004, Madrid
Switzerland	Modulis Business Park, Route de Suisse 162, 1290 Versoix
Ireland	Mayfield Business Park, Lismore, County Waterford
Greece	59, Ioannou Metaxa str., 19441 Koropi
Kenya	Sameer Business Park, Mombasa Road, PO Box 10032 – 00100 – G.P.O Nairobi

14. RELATED PARTY TRANSACTIONS (continued)

Subsidiaries (continued)

* The subsidiaries marked with an asterisk are companies which are incorporated in England and Wales, and are exempt from the requirements of the Companies Act 2006 relating to the audit of individual accounts by virtue of section 479A of the Act.

All shareholdings in subsidiaries are owned 100% (2021: 100%) through the subsidiaries' ordinary share capital.

Associates

Name	Year end	Country of incorporation and registered office	Measurement method	Ownership
Novagen Pharma Pty Limited	31 March	100 Sovereign Drive, Route 21 Corporate Park, Nellmapius Drive, Irene 0157, Pretoria	Equity	45%
Novagen BBBEE Invest Co Pty Limited	31 March	100 Sovereign Drive, Route 21 Corporate Park, Nellmapius Drive, Irene 0157, Pretoria	Equity	24.5%

15. CAPITAL COMMITMENTS

At 30 June 2022, the Company had capital commitments of £0.1m (2021: £0.1m).

16. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company is a wholly owned subsidiary undertaking of Triley Holdco Limited. The Company's ultimate parent undertaking and ultimate controlling party is Triton Fund V which is managed and controlled by its general partners Triton Managers V Limited and TFF V Limited.

Triley Holdco Limited, a company incorporated and registered in Jersey, is the parent of the largest group of undertakings to consolidate these financial statements. The Triley Holdco consolidated accounts will be lodged at UK Companies House.