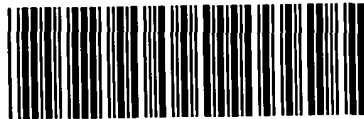


**REGISTERED NUMBER: 07485493 (England and Wales)**

**MUNDIPHARMA IT SERVICES LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**MUNDIPHARMA IT SERVICES LIMITED**

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**MUNDIPHARMA IT SERVICES LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	S J Jamieson B G Lea P M M Mazas
<b>Registered number</b>	07485493
<b>Registered office</b>	Unit 196 Cambridge Science Park Milton Road Cambridge CB4 0AB
<b>Independent auditors</b>	Ernst & Young LLP Cambridge CB4 0WZ

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**MUNDIPHARMA IT SERVICES LIMITED**

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**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**Introduction**

The Directors present their strategic report on the Company and Group financial statements of Mundipharma IT Services Limited (the "Company") for the year ended 31 December 2022.

**Business review**

The Group's principal activity is the provision of IT services to related party clients. The Directors expect this activity to continue for the foreseeable future.

The key financial and non-financial performance indicators that are used to assess the Group's performance are turnover, operating profit, headcount and capital spend. These are reported in the management accounts and reviewed by the management team.

	2022	2021	Change
	£'000	£'000	%
Turnover	32,087	31,100	3
Operating Profit	67	1,092	(90)
Headcount	78	83	(6)
Capital spend	24,850	16,621	50

Turnover for the year has increased due to an increase in services provided by the Company to its customers.

Operating profit has declined compared to the previous year due to an increase in administrative expenses £31,983k (2021: £30,008k).

Capital spend has increased as a result of the increased focus on providing long-term projects to customers from the Company. Headcount has decreased due to increased outsourcing.

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**MUNDIPHARMA IT SERVICES LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**Principal risks and uncertainties**

The principal risks and uncertainties facing the Company and Group are described below.

**Market risk**

Following the UK leaving the European Union on 31 January 2020 the Group has taken adequate measures to mitigate risks through the transitional period to 31 December 2020 including adoption of the new rules from 1 January 2021.

The Group operates under service agreements with its clients. The risk to the Group is that these agreements may be terminated earlier than expected. This is not anticipated at this time with management monitoring the relationship with their clients on a regular basis and ensuring a high level of service is maintained. The clients are also financially strong, which mitigates any credit or liquidity risk to the Group.

**Foreign exchange risk**

Foreign exchange risk arises when the Group enters into transactions denominated in a currency other than its functional currency. The Group's policy is, where possible, to settle liabilities with the cash generated from its own operations in that currency. The Group monitors the effectiveness of this policy with regular forecasts of liabilities due for settlement and expected cash reserves of the major currencies held.

**Credit risk**

The Group only sells to other members of the Mundipharma network of independent associated companies. Accordingly, credit risk is carefully managed and mitigated through knowledge of the financial strength of the related parties and credit provided only with that knowledge.

**Liquidity risk**

The Group monitors its net current asset position and relies upon the support of fellow related parties settling their debts to ensure it is able to meet its liabilities as they fall due.

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## MUNDIPHARMA IT SERVICES LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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#### Statement Relating To Section 172 (1) Companies Act 2006

The Board of Directors confirms that during the year under review, it has acted to promote the long-term success of the Company for the benefit of shareholders, whilst having due regard to the matters set out in section 172(1) (a) to (f) of the Companies Act 2006, being:

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

Each of the directors is mindful of their duties under section 172 to run the Company for the benefit of its shareholders, and in doing so, to take into account the long-term impact of any decisions on stakeholder relationships and the impact of its activities on its reputation for high standards of business conduct.

#### Principal board decisions

In December 2022, the board made the decision to extend the repayment date of the loan with Mundipharma Medical Company Limited to 31 March 2023.

#### Stakeholder Engagement

##### Employees

The Group works to attract, develop and retain the best talent and strives to equip its employees with the right skills for the future. The Group's employees have a crucial role in delivering against the Group's strategy and creating value.

The Group actively engages with its employees across several communication channels, including company-wide meetings, internal employee consultation forums, employment engagement surveys and other ad hoc meetings. Key subjects that have been discussed through these channels include the business' performance vs key priorities, employee wellbeing, and virtual working practices.

##### Suppliers

The Group considers its relationships with suppliers as critical to the overall performance of the business, proactively engaging with suppliers and routinely seeking feedback through partner surveys.

In more recent times the discussions have covered the impact of Brexit on operations, both on the supplier and within their supply chains. Topics covered include contingency planning, management of risk and continuity of supply.

##### Customers

Working in partnership with the Group's customers enables the business to deliver on its priority to become a partnership driven business and to deliver commercial excellence in everything that it does. The Group considers these relationships of strategic importance to the success of the business and is in regular dialogue with these key stakeholders.

##### Napp Pharmaceutical Group Pension Scheme

The Company has a positive relationship with the Pension Trustee and seeks to ensure that all pension scheme members are kept well informed of matters affecting their pension benefits.

##### Other stakeholders

The Group understands that relationships with other stakeholders such as HMRC, banking partners and other professional advisors are a key component in the success of the business and places an emphasis on fostering these critical relationships through regular communication and promoting positive working relationships.

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**MUNDIPHARMA IT SERVICES LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

DocuSigned by:  
  
EAB0C84A50B94CA  
**P M M Mazas**  
Director

Date: 10 October 2023

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**MUNDIPHARMA IT SERVICES LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

**Principal activity**

The Group's principal activity is the provision of IT services to related party clients. The Directors expect this activity to continue for the foreseeable future.

**Results and dividends**

No dividends were declared or paid for the year ended 31 December 2022 (2021: £nil).

**Future developments**

The directors do not anticipate any changes in the principal activity in the foreseeable future.

**Post balance sheet events**

On 21 January 2023, the Company disposed of its investment in Mundipharma IT Services GmbH & Co KG, when it was voluntarily struck off the commercial register.

In June 2023 the Company increased its existing loan arrangement facility from a related party. The Group increased the unsecured loan facility to £38,660,000, \$19,930,000 and €2,250,000. The repayment date was also extended to 31 December 2033.

In June 2023, certain Mundipharma companies including Mundipharma IT Services Limited agreed to a transaction to sell their Consumer Health business to iNova Pharmaceuticals (Singapore) Pte Limited (iNova). The transaction is subject to certain conditions which are estimated to conclude by 31 December 2023, at which point the Consumer Health business will be transferred to iNova. Mundipharma IT Services Limited is not significantly affected by the transaction and will receive nil consideration on closing of the transaction. The financial implication for the Group going forward will be limited given the Consumer Health business is not a significant portion of the business.

**Directors**

The directors who served during the year and to the date of this report were:

S J Jamieson  
B G Lea  
P M M Mazas

**Charitable contributions**

During the year the Group made charitable contributions of £nil (2021: £nil).



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**MUNDIPHARMA IT SERVICES LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**Going concern**

The Group operates under service agreements with various related party entities that are long term in nature and result in a mark-up on costs. These entities operate in the healthcare sector and the Group's customers expect to see continued demand from their product portfolios, which notably contain many well-established products treating chronic conditions.

Given these service agreements are long term in nature, are with related party entities and given the profitable nature of the Group, as it operates on a mark-up basis, and the strength of the Company balance sheet, the directors believe that there is sufficient cash and future cash flows to meet liabilities as they fall due. This is supported with forecasts that reflect the latest financial projections through to 31 December 2024.

Based on the directors' consideration of the ongoing contractual terms with customers, and forecasts that cover the period to 31 December 2024, the directors have prepared these financial statements on a going concern basis.

**Disabled employees**

The Group gives every consideration to applications for employment from disabled persons where the requirements of the job may be adequately covered by a disabled person.

With regard to existing disabled employees and those that have become disabled during the course of their employment, the Group has continued to examine ways and means of providing continuing employment under normal terms and conditions and to provide training and career development opportunities where appropriate.

**Employee involvement**

During the year, information about the Group has been supplied to employees through management meetings and other direct communication.

**Directors' qualifying third party indemnity provisions**

Each director benefits from an indemnity given by the Company under its articles of association. This indemnity is in respect of liabilities incurred by the director in the execution and discharge of his duties. In addition, each director benefits from an indemnity in respect of liabilities arising out of third-party proceedings to which he is a party by reason of his engagement in the business of the Company.

**Disclosure of information to auditor**

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

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

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**MUNDIPHARMA IT SERVICES LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**Auditor**

The auditor, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

DocuSigned by:

*Philippe Mazas*  
EAB0C84A50B94CA...

P M M Mazas  
Director

Date: 10 October 2023

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**MUNDIPHARMA IT SERVICES LIMITED**

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**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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**MUNDIPHARMA IT SERVICES LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MUNDIPHARMA IT SERVICES LIMITED**

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**Opinion**

We have audited the financial statements of Mundipharma IT Services Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes 1 to 19, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2022 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for the period to 31 December 2024.

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

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**MUNDIPHARMA IT SERVICES LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MUNDIPHARMA IT SERVICES LIMITED  
(CONTINUED)**

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**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

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

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

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## MUNDIPHARMA IT SERVICES LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MUNDIPHARMA IT SERVICES LIMITED (CONTINUED)

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#### Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent 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 parent 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 Group 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:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are the Companies Act 2006, the Financial Reporting Standard 102, HM Revenue & Customs regulations and other UK Tax Legislation.
- We understood how Mundipharma IT Services Limited is complying with those frameworks through enquiry with management and by identifying the company's policies and procedures regarding compliance with laws and regulations. We also identified those members of management who have the primary responsibility for ensuring compliance with laws and regulations, and for the reporting of any known instances of non-compliance to those charged with governance.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by obtaining and reading Company policies and holding enquiries of management and those charged with governance.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved:
  - o Inquiry of senior management, and when appropriate, those charged with governance regarding their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements.
  - o Enquiry of entity staff in compliance functions to identify any instances of non-compliance with laws and regulations, including communications with regulators and tax authorities.
  - o Reading board minutes for matters that indicated non-compliance.
  - o Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

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**MUNDIPHARMA IT SERVICES LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MUNDIPHARMA IT SERVICES LIMITED  
(CONTINUED)**

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**Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

*Ernst + Young LLP*

Christopher Atkinson (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, Statutory auditor  
Cambridge

Date: 10 October 2023

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**MUNDIPHARMA IT SERVICES LIMITED**

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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	Note	2022 £000	2021 £000
Turnover	3	32,087	31,100
<b>Gross profit</b>		<u>32,087</u>	<u>31,100</u>
Administrative expenses		(32,020)	(30,008)
<b>Operating profit</b>	6	<u>67</u>	<u>1,092</u>
Interest payable and similar expenses	7	(512)	(274)
<b>(Loss)/profit before taxation</b>		<u>(445)</u>	<u>818</u>
Tax on (loss)/profit	8	207	(157)
<b>(Loss)/profit for the financial year</b>		<u>(238)</u>	<u>661</u>
Actuarial (loss)/gain on pension assets	18	(2,772)	232
Actuarial gain/(loss) loss on pension liabilities	18	2,644	(360)
Exchange difference on retranslation of subsidiary undertakings	18	773	(347)
Income tax relating to components of other comprehensive income	8	25	25
<b>Other comprehensive income/(loss) for the year, net of income tax</b>		<u>670</u>	<u>(450)</u>
<b>Total comprehensive income for the year</b>		<u><u>432</u></u>	<u><u>211</u></u>

The notes on pages 20 to 44 form part of these financial statements.




**MUNDIPHARMA IT SERVICES LIMITED**  
**REGISTERED NUMBER: 07485493**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2022**

	Note	2022 £000	2021 £000
<b>Fixed assets</b>			
Intangible assets	10	50,022	29,897
Tangible assets	11	445	348
		<u>50,467</u>	<u>30,245</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	13	11,932	8,506
Bank and cash balances		9,570	6,612
		<u>21,502</u>	<u>15,118</u>
Creditors: amounts falling due within one year	14	(34,394)	(15,993)
<b>Net current liabilities</b>		<u>(12,892)</u>	<u>(875)</u>
<b>Total assets less current liabilities</b>		<u>37,575</u>	<u>29,370</u>
Creditors: amounts falling due after more than one year	15	(29,386)	(21,613)
<b>Net assets</b>		<u>8,189</u>	<u>7,757</u>
<b>Capital and reserves</b>			
Called up share capital	17	1	1
Revaluation reserve	17	3,394	2,621
Other reserves	17	206	206
Merger reserve	17	(4,827)	(4,827)
Profit and loss account	17	9,415	9,756
<b>Equity attributable to owners of the parent Company</b>		<u>8,189</u>	<u>7,757</u>
		<u>8,189</u>	<u>7,757</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 10 October 2023.

DocuSigned by:  
  
 F4B0C84A50B94CA  
**P M M Mazas**  
 Director

The notes on pages 20 to 44 form part of these financial statements.

**MUNDIPHARMA IT SERVICES LIMITED**  
**REGISTERED NUMBER: 07485493**

**COMPANY BALANCE SHEET**  
**AS AT 31 DECEMBER 2022**

	Note	2022 £000	2021 £000
<b>Fixed assets</b>			
Intangible assets	10	49,732	29,258
Tangible assets	11	437	348
Investments	12	10,206	11,017
		<u>60,375</u>	<u>40,623</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	13	11,845	7,965
Bank and cash balances		8,608	6,056
		<u>20,453</u>	<u>14,021</u>
Creditors: amounts falling due within one year	14	(47,154)	(28,017)
<b>Net current liabilities</b>		<u>(26,701)</u>	<u>(13,996)</u>
<b>Total assets less current liabilities</b>		<u>33,674</u>	<u>26,627</u>
Creditors: amounts falling due after more than one year	15	(29,386)	(21,613)
<b>Net assets</b>		<u><u>4,288</u></u>	<u><u>5,014</u></u>
<b>Capital and reserves</b>			
Called up share capital	17	1	1
Profit and loss account		4,287	5,013
		<u><u>4,288</u></u>	<u><u>5,014</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 10 October 2023.

DocuSigned by:

*Philippe Mazas*

PHILIPPE MAZAS

Director

The notes on pages 20 to 44 form part of these financial statements.

## MUNDIPHARMA IT SERVICES LIMITED

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

	Called up share capital £000	Revaluation reserve £000	Other reserves £000	Merger reserve £000	Profit and loss account £000	Total equity £000
<b>At 1 January 2021</b>	1	2,968	211	(4,827)	9,198	7,551
<b>Comprehensive Income for the year</b>						
Profit for the year	-	-	-	-	661	661
Other comprehensive loss	-	(347)	(5)	-	(103)	(455)
<b>Total comprehensive income for the year</b>	-	(347)	(5)	-	558	206
<b>At 1 January 2022</b>	1	2,621	206	(4,827)	9,756	7,757
<b>Comprehensive Income for the year</b>						
Loss for the year	-	-	-	-	(238)	(238)
Other comprehensive gain / (loss)	-	773	-	-	(103)	670
<b>Total comprehensive income for the year</b>	-	773	-	-	(341)	432
<b>At 31 December 2022</b>	1	3,394	206	(4,827)	9,415	8,189

The notes on pages 20 to 44 form part of these financial statements.

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**MUNDIPHARMA IT SERVICES LIMITED**


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


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	Called up share capital £000	Profit and loss account £000	Total equity £000
<b>At 1 January 2021</b>	1	4,363	4,364
<b>Comprehensive income for the year</b>			
Profit for the year	-	753	753
Other comprehensive loss	-	(103)	(103)
	-	650	650
<b>Total comprehensive income for the year</b>			
<b>At 1 January 2022</b>	1	5,013	5,014
<b>Comprehensive income for the year</b>			
Loss for the year	-	(623)	(623)
Other comprehensive loss	-	(103)	(103)
	-	(726)	(726)
<b>Total comprehensive income for the year</b>			
<b>At 31 December 2022</b>	1	4,287	4,288

The notes on pages 20 to 44 form part of these financial statements.

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**MUNDIPHARMA IT SERVICES LIMITED**


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**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**


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	2022 £000	2021 £000
<b>Cash flows from operating activities</b>		
(Loss)/profit before tax	(445)	818
<b>Adjustments for:</b>		
Amortisation of intangible assets	4,418	-
Depreciation of tangible assets	247	2,791
Interest paid	512	274
(Increase) in debtors	(3,060)	(2,012)
Increase in creditors	7,057	4,279
Corporation tax (paid)	(162)	(115)
Pension contributions	(127)	(127)
<b>Net cash generated from operating activities</b>	<b>8,440</b>	<b>5,908</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(24,476)	(16,533)
Sale of intangible assets	-	(88)
Purchase of tangible fixed assets	(374)	-
Sale of tangible fixed assets	-	472
<b>Net cash used in investing activities</b>	<b>(24,850)</b>	<b>(16,149)</b>
<b>Cash flows from financing activities</b>		
New loans	19,152	13,019
Interest paid	(512)	(274)
<b>Net cash from financing activities</b>	<b>18,640</b>	<b>12,745</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,230</b>	<b>2,504</b>
Cash and cash equivalents at beginning of year	6,612	4,453
Foreign exchange gains and losses	728	(345)
<b>Cash and cash equivalents at the end of year</b>	<b>9,570</b>	<b>6,612</b>
Cash at bank and in hand	9,570	6,612

The notes on pages 20 to 44 form part of these financial statements.

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**MUNDIPHARMA IT SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**1. General information**

Mundipharma IT Services Limited is a private company, limited by shares, registered in England and Wales. The Company's registered number and registered office address are as below;

Registered number: 07485493

Registered office: Unit 196 Cambridge Science Park, Milton Road, Cambridge, CB4 0AB

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in UK pounds sterling which is the functional currency of the parent Company and is rounded to the nearest £'000.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

**2.2 Basis of consolidation**

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

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**MUNDIPHARMA IT SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. Accounting policies (continued)**

**2.3 Going concern**

The Group operates under service agreements with various related party entities that are long term in nature and result in a mark-up on costs. These entities operate in the healthcare sector and the Group's customers expect to see continued demand from their product portfolios, which notably contains many well-established products treating chronic conditions.

Given these service agreements are long term in nature, are with related party entities and given the profitable nature of the Group, as it operates on a mark-up basis, and the strength of the Company balance sheet, the directors believe that there is sufficient cash and future cash flows to meet liabilities as they fall due. This is supported with forecasts that reflect the latest financial projections through to 31 December 2024.

Based on the directors' consideration of the ongoing contractual terms with customers, and forecasts that cover the period to 31 December 2024, the directors have prepared these financial statements on a going concern basis.

**2.4 Financial Reporting Standard 102 - reduced disclosure exemptions**

The parent Company is a qualifying entity as defined by FRS 102 and has taken advantage of the following exemptions available to qualifying entities which are relevant to its financial statements:

- the requirement of Section 33 Related Party Disclosures paragraph 33.1A: disclosure of Group transactions with related parties that are part of the Group, where appropriate.

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**MUNDIPHARMA IT SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. Accounting policies (continued)**

**2.5 Significant judgements and estimates**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements have had the most significant effect on amounts recognised in the financial statements:

Pension and other post-employment benefits

The cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of corporate bonds with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population of bonds on which the discount rate is based, on the basis that they do not represent high quality bonds. The mortality rate is based on publicly available mortality tables. Future salary increases and pension increases are based on expected future inflation rates.

Impairment of non-financial assets

Where there are indicators of impairment of individual assets, the Group performs impairment tests based on a value in use calculation. FRS 102 requires impaired assets to be measured at the lower of the fair value less costs to sell and their value in use. The cash flows used in the 'value-in-use' calculation are derived from the budget for the next five years. The recoverable amount is most sensitive to the sales forecast used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

**2.6 Revenue recognition**

Revenue is recognised to the extent that the Group obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty.

The following criteria must also be met before revenue is recognised:

- Sale of services: revenue from the sale of services is recognised when the associated expenditure is incurred as customers are billed quarterly on a cost-plus basis.

**2.7 Interest income**

Interest is recognised as interest accrued using the effective interest method.



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**MUNDIPHARMA IT SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. Accounting policies (continued)**

**2.8 Intangible assets**

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment. The carrying value of intangible assets is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

If there are indicators that the residual value or useful life of an intangible asset has changed since the most recent annual reporting period previous estimates shall be reviewed and, if current expectations differ, the residual value, amortisation method or useful life shall be amended. Changes in the expected useful life or the expected pattern of consumption of benefit shall be accounted for as a change in accounting estimate.

Intangible assets are amortised on a straight-line basis over their estimated useful life up to a maximum of 20 years. Computer software intangible fixed assets are amortised over their useful economic lives of 3 - 10 years.

**2.9 Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation and impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, other than assets under construction, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its useful life, as follows:

- Plant and machinery: 3 - 5 years

The carrying values of tangible fixed assets are reviewed for impairment in periods where events or changes in circumstances indicate the carrying value may not be recoverable.

**2.10 Investments**

In the Company's own accounts, investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

**2.11 Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case, it is recognised in other comprehensive income or equity, respectively.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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**MUNDIPHARMA IT SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. Accounting policies (continued)**

**2.12 Deferred tax**

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax assets and unrelieved tax losses are only recognised to the extent that the directors consider that it is probable that they will be recovered against the reversal of deferred tax liabilities, or other future taxable profits.

Deferred tax is measured on a non-discounted basis using the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**2.13 Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research is recognised as an expense when it is incurred. Intangible assets are only recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured.

The expected useful economic life of development costs are estimated based on business plans which set out the development plan and time to market for the associated project.

If it is not possible to distinguish between the research phase and the development phase of an internal project the expenditure is treated as if it were all incurred in the research phase only.

**2.14 Foreign currencies**

Transactions in foreign currencies are initially recorded in sterling at the spot exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into sterling at the rates of exchange ruling at the balance sheet date. All resulting differences are reported in the Statement of Comprehensive Income.

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**MUNDIPHARMA IT SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. Accounting policies (continued)**

**2.15 Pension costs**

The Company is a member of the defined benefit section of the Napp Pharmaceutical Group Pension Scheme, which requires contributions to be made to a separately administered fund. Membership of this section of the scheme was closed to new members on 1 September 2002 and closed to further benefit accrual by members in June 2015, although a link to final salary remains for those members still in employment.

As the scheme is a multi-employer scheme where the risks are shared between entities party to the scheme and there is a stated policy of charging the defined benefit cost of the plan as a whole to those entities, each company has recognised its proportion of the defined benefit cost and relevant net defined benefit liability of the overall plan.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligations) and is based on actuarial advice. When a settlement or a curtailment occur the change in the present value of the scheme liabilities and the fair value of the plan assets reflects the gain or loss which is recognised in the income statement during the period in which it occurs.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, at the start of the period taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Re-measurements, comprising actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability (excluding amounts included in net interest) are recognised immediately in Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

The Company also participates in a defined contribution master trust arrangement managed by Legal and General. The assets of each arrangement are administered by trustees and are held separately from those of the Company in independently administered funds. All employees are eligible to join the defined contribution pension section of the pension scheme. Contributions to the defined contribution schemes are recognised in the profit and loss account in the period in which they become payable.

**2.16 Interest expense**

All interest-bearing loans and borrowings which are basic financial instruments are initially recognised at the present value of cash payable or receivable. After initial recognition they are measured at amortised cost using the effective interest rate method, less impairment. The effective interest rate amortisation is included in interest receivable and similar income or other finance costs.

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**MUNDIPHARMA IT SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. Accounting policies (continued)**

**2.17 Debtors and creditors**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in administrative expenses.

**2.18 Cash and cash equivalents**

Cash and cash equivalents include cash at bank and in hand. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

**2.19 Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**2.20 Impairment of fixed assets and goodwill**

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

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**MUNDIPHARMA IT SERVICES LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**


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**3. Turnover**

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

	2022 £000	2021 £000
Services revenue	32,087	31,100
	<u>32,087</u>	<u>31,100</u>

Analysis of turnover by country of destination:

	2022 £000	2021 £000
United Kingdom	16,340	13,283
Europe	5,997	8,574
Rest of the world	9,750	9,243
	<u>32,087</u>	<u>31,100</u>

**4. Employees**

Staff costs were as follows:

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Wages and salaries	7,388	5,284	7,388	5,284
Social security costs	1,056	937	1,056	945
Other pension costs	127	84	127	84
Employment termination costs	305	276	-	-
	<u>8,876</u>	<u>6,581</u>	<u>8,571</u>	<u>6,313</u>

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

	2022 No.	2021 No.
Office and management	2	5
IT Staff	76	78
	<u>78</u>	<u>83</u>

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**MUNDIPHARMA IT SERVICES LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**


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**5. Directors' emoluments**

	2022 £000	2021 £000
Aggregate remuneration in respect of qualifying services borne by the Company and Group company	1,055	1,026
Aggregate amounts receivable under long term incentive plans	207	228
Number of directors accruing benefits under defined benefit pension schemes	-	-
	<u>1,262</u>	<u>1,254</u>

In respect of the highest paid director:

	2022 £000	2021 £000
Aggregate remuneration	1,055	1,026
Aggregate amounts receivable under long term incentive plans	207	228
Accrued pension at the end of the year	-	-
	<u>1,262</u>	<u>1,254</u>

In addition to the directors' remuneration disclosed above, certain directors receive remuneration from other related companies, and consider that the level of their qualifying services to the Company is negligible compared to their main roles. Given the level of the services required, their remuneration for qualifying services is £nil (2021 – £nil).

**6. Operating profit**

The operating profit is stated after charging:

	2022 £000	2021 £000
Depreciation - owned assets	247	312
Computer software amortisation	4,418	2,479
Auditors' remuneration - audit services	163	47
Auditors' remuneration - taxation compliance services	26	25
Employment termination costs	305	276
Foreign exchange differences	<u>1,152</u>	<u>(58)</u>

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**MUNDIPHARMA IT SERVICES LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**


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**7. Interest payable and similar expenses**

	2022 £000	2021 £000
Loan interest	513	275
Net pension interest	(1)	(1)
	<u>512</u>	<u>274</u>

**8. Taxation**

	2022 £000	2021 £000
<b>Corporation tax</b>		
Current tax on profits for the year	-	227
Adjustments in respect of previous periods	(9)	-
	<u>(9)</u>	<u>227</u>
<b>Foreign tax</b>		
Foreign tax on income for the year	13	-
	<u>13</u>	<u>-</u>
<b>Total current tax</b>	<u>4</u>	<u>227</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(167)	(30)
Adjustments in respect of prior periods	8	17
Changes to tax rates	(52)	(57)
<b>Total deferred tax</b>	<u>(211)</u>	<u>(70)</u>
<b>Taxation on (loss)/profit on ordinary activities</b>	<u>(207)</u>	<u>157</u>

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**MUNDIPHARMA IT SERVICES LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**


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**8. Taxation (continued)****Reconciliation of total tax charge included in profit and loss**

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

	2022 £000	2021 £000
(Loss)/profit on ordinary activities before tax	(445)	818
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(85)	155
<b>Effects of:</b>		
Expenses not deductible for tax purposes	12	23
Income not taxable for tax purposes	(81)	(4)
Adjustments to tax charge in respect of previous periods	(1)	26
Tax rate changes	(52)	(57)
Effects of overseas tax rates	-	14
<b>Total tax charge for the year</b>	<b>(207)</b>	<b>157</b>



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**MUNDIPHARMA IT SERVICES LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**


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**8. Taxation (continued)****Factors that may affect future tax charges**

The UK budget announcements on 3 March 2021 included measures to support the economic recovery as a result of the COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. These changes were enacted at the balance sheet date are reflected in the measurement of deferred tax balances at the period end.

**Tax effects relating to effects of other comprehensive income**

	2022		
	Gross	Tax	Net
	£'000	£'000	£'000
Actuarial loss on pension assets	(2,772)	527	(2,245)
Actuarial gain on pension liability	2,644	(502)	2,142
Exchange difference on retranslation of subsidiary undertakings	773	-	773
	<u>645</u>	<u>25</u>	<u>670</u>

	2021		
	Gross	Tax	Net
	£'000	£'000	£'000
Actuarial gain on pension assets	232	(44)	188
Actuarial loss on pension liability	(360)	69	(291)
Exchange difference on retranslation of subsidiary undertakings	(347)	-	(347)
	<u>(475)</u>	<u>25</u>	<u>(450)</u>

	2022	2021
	£000	£000
<b>Current tax</b>		
In relation to defined benefit pension arrangements	(25)	(25)
<b>Total tax charge (recognised in OCI)</b>	<u>(25)</u>	<u>(25)</u>

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**MUNDIPHARMA IT SERVICES LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**


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**8. Taxation (continued)****Deferred tax**

The deferred tax included in the balance sheet is as follows:

	2022 £000	2021 £000
Included in debtors (note 13)	483	239
	<u>483</u>	<u>239</u>

The movement in deferred taxation in current and prior year are as follows:

	2022 £000	2021 £000
As at 1 January	239	169
Adjustment in respect of prior year	8	8
Deferred tax charge to I/S for the period	211	88
Deferred tax charged to OCI for the period	25	-
	<u>483</u>	<u>265</u>
	2022 £000	2021 £000
Fixed asset timing differences	(27)	64
Short term timing differences	187	175
Losses	323	-
	<u>483</u>	<u>239</u>

**9. Profit of parent Company**

As permitted by Section 408 of the Companies Act 2006, the Statement of comprehensive income of the parent Company is not presented as part of these financial statements.

The parent Company's loss for the financial year was £623,000 (2021: Profit £753,000).

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**MUNDIPHARMA IT SERVICES LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**


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**10. Intangible assets****Group**

	Computer software £000
<b>Cost</b>	
At 1 January 2022	41,827
Additions	24,476
Disposals	(7,614)
Foreign exchange movement	(328)
At 31 December 2022	<u>58,361</u>
<b>Amortisation</b>	
At 1 January 2022	11,930
Amortisation for year	4,418
Disposals	(7,614)
Foreign exchange movement	(395)
At 31 December 2022	<u>8,339</u>
<b>Net book value</b>	
At 31 December 2022	<u>50,022</u>
At 31 December 2021	<u><u>29,897</u></u>

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**MUNDIPHARMA IT SERVICES LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**


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**10. Intangible assets (continued)****Company**

	Computer software £000
<b>Cost</b>	
At 1 January 2022	32,961
Additions	24,476
Disposals	(952)
At 31 December 2022	<u>56,485</u>
<b>Amortisation</b>	
At 1 January 2022	3,703
Charge for the year	4,002
Disposals	(952)
At 31 December 2022	<u>6,753</u>
<b>Net book value</b>	
At 31 December 2022	<u><u>49,732</u></u>
At 31 December 2021	<u><u>29,258</u></u>

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**MUNDIPHARMA IT SERVICES LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**


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**11. Tangible fixed assets****Group**

	Plant and machinery £000	Assets under construction £000	Total £000
<b>Cost or valuation</b>			
At 1 January 2022	5,425	38	5,463
Additions	374	-	374
Transfers from assets under construction	38	(38)	-
Disposals	(3,949)	-	(3,949)
Exchange differences	(447)	-	(447)
At 31 December 2022	1,441	-	1,441
<b>Depreciation</b>			
At 1 January 2022	5,115	-	5,115
Charge for the year	247	-	247
Disposals	(3,949)	-	(3,949)
Exchange adjustments	(417)	-	(417)
At 31 December 2022	996	-	996
<b>Net book value</b>			
At 31 December 2022	445	-	445
At 31 December 2021	310	38	348

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**MUNDIPHARMA IT SERVICES LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**


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**11. Tangible fixed assets (continued)****Company**

	Plant and machinery £000	Assets under construction £000	Total £000
<b>Cost or valuation</b>			
At 1 January 2022	4,267	38	4,305
Additions	336	-	336
Transfers from assets under construction	38	(38)	-
Disposals	(3,209)	-	(3,209)
At 31 December 2022	1,432	-	1,432
<b>Depreciation</b>			
At 1 January 2022	3,957	-	3,957
Charge for the year on owned assets	247	-	247
Disposals	(3,209)	-	(3,209)
At 31 December 2022	995	-	995
<b>Net book value</b>			
At 31 December 2022	437	-	437
At 31 December 2021	310	38	348

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**MUNDIPHARMA IT SERVICES LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**


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**12. Fixed asset investments****Company**

	Investments in subsidiary companies £000
<b>Cost or valuation</b>	
At 1 January 2022	11,017
Revaluation movement	(811)
At 31 December 2022	<u>10,206</u>

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Class of shares</b>	<b>Holding</b>
Mundipharma IT Services GmbH	St. Alban Rheinweg 74, 4052 Basel, Switzerland	Ordinary	100%
Mundipharma IT GmbH	St. Alban Rheinweg 74, 4052 Basel, Switzerland	Ordinary	100%
Mundipharma IT Services GmbH & Co KG	Kurfürstendamm 48/49, c/o Kanzlei Manske, 10707 Berlin, Germany	Ordinary	100%
Mundipharma IT Services PTE Ltd	Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632	Ordinary	100%

During the period, on 27 July 2022, the Company disposed of its investment in Mundipharma IT Services Verwaltungs GmbH when that company was voluntarily struck off the commercial register.

After the balance sheet date, on 21 January 2023, the Company disposed of its investment in Mundipharma IT Services GmbH & Co KG, when it was voluntarily struck off the commercial register.

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**MUNDIPHARMA IT SERVICES LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**


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**13. Debtors**

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Trade debtors	6,702	4,521	6,662	4,556
Amounts owed by group undertakings	-	-	197	197
Other debtors and prepayments	3,204	3,746	2,973	2,973
Corporation tax	122	-	130	-
VAT	1,421	-	1,400	-
Deferred taxation	483	239	483	239
	<u>11,932</u>	<u>8,506</u>	<u>11,845</u>	<u>7,965</u>

Outstanding balances on trade debtors are unsecured, interest free and cash settlement is expected within 30 days of invoice.

**14. Creditors: Amounts falling due within one year**

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Other loans	11,379	-	11,379	-
Trade creditors	6,969	9,191	7,618	8,645
Amounts owed to group undertakings	-	-	11,955	12,833
Corporation tax	-	35	-	44
VAT	-	643	-	622
Other creditors	16,046	6,124	16,202	5,873
	<u>34,394</u>	<u>15,993</u>	<u>47,154</u>	<u>28,017</u>



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**15. Creditors: Amounts falling due after more than one year**

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Other loans (see note 16)	29,386	21,613	29,386	21,613
	<u>29,386</u>	<u>21,613</u>	<u>29,386</u>	<u>21,613</u>

Amounts falling due after more than one year include a loan from a related party Mundipharma International Ltd of £4,700,000 (2021: £4,700,000), Mundipharma Medical Company of £4,503,000 (2021: £4,076,000) and Mundipharma Medical Company Limited of £8,827,000, \$11,850,000 and €1,750,000 (2021: £12,837,000).

Annual interest on these loans is charged at the following rates;

- Mundipharma International Limited is charged at LIBOR plus 1%
- Mundipharma Medical Company is charged at LIBOR plus 2.5%
- Mundipharma Medical Company Limited is charged at the higher of LIBOR plus 1.5% or the US federal rate

Balances are repayable to Mundipharma International Limited and Mundipharma Medical Company on 30 October 2027 and Mundipharma Medical Company Limited on 31 March 2023.

In June 2023, the Company increased its existing loan arrangement facility from Mundipharma Medical Company Limited. The Company increased the unsecured loan facility to £38,660,000, \$19,930,000 and €2,250,000. The repayment date was also extended to 31 December 2023.

**16. Loans**

analysis of the maturity of loans is given below:

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
<b>Amounts falling due within one year</b>				
Other loans	11,379	-	11,379	-
 Amounts falling due 2-5 years	 29,386	 12,837	 29,386	 12,837
 Amounts falling due after more than 5 years	 -	 8,776	 -	 8,776
	<u>40,765</u>	<u>21,613</u>	<u>40,765</u>	<u>21,613</u>

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**17. Share capital**

	2022 £000	2021 £000
<b>Allotted, called up and fully paid</b>		
1,000 (2021 - 1,000) Ordinary shares of £1.00 each	1	1

The Company has one class of ordinary shares which carries no right to fixed income.

**Revaluation reserve**

The retranslation reserve contains the accumulated foreign exchange differences from the translation of the Group's foreign subsidiaries on consolidation, the amounts held in the reserves at 31 December 2022 are £3,394,000 (2021: £2,621,000).

**Other reserves**

Legal reserve relates to the amount of profit that has been allocated to meet future dividend requirements under the local requirements in the Swiss subsidiary company. Amounts held in the reserve at 31 December 2022 are £206,000 (2021: £206,000).

**Merger Reserve**

The merger reserve is a non-distributable reserve created by the exercise of s612 merger relief for the amount in excess of the nominal value of the £1 ordinary shares issued in connection with the acquisition of Mundipharma IT Services GmbH by Mundipharma IT Services Limited.

**Profit and loss account**

The retained earnings reserve holds the retained earnings of the Group and the Company, after the deduction of any dividends paid in the period.

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**MUNDIPHARMA IT SERVICES LIMITED**


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**18. Pension commitments**

The Company participates in a multi-employer defined benefit pension scheme operated by Napp Pharmaceutical Holdings Limited, the Principal Employer and related party. The Company also participates in a defined contribution master trust arrangement managed by Legal and General. The assets of each arrangement are administered by trustees and are held separately from those of the Company in independently administered funds.

A Statutory Funding valuation of the defined benefit pension scheme was carried out as at 31 December 2019 by the Scheme Actuary. This valuation has been updated to 31 December 2022 using assumptions appropriate under Financial Reporting Standard 102 for the purposes of these financial statements. The scheme's assets are stated at their market value on the balance sheet dates.

The Group's liability remained at £nil as at 31 December 2022 (£nil at 31 December 2021). The overall net position of the pension valuation continues to be a pension scheme asset surplus attributable to the Group. However, this has not been recognised as the Group is unable to recover the surplus either through reduced contributions in the future or through refunds from the plan.

The amounts included in the accounts of the Group relate solely to their proportion of the overall assets and liabilities of the net defined benefit pension scheme.

Reconciliation of present value of plan liabilities:

	2022 £000	2021 £000
Opening defined benefit obligation	7,077	6,806
Interest cost	122	98
Asset ceiling adjustment	11	382
Actuarial gains/losses	(2,644)	(19)
Benefits paid	(148)	(190)
<b>Closing defined benefit obligation</b>	<b>4,418</b>	<b>7,077</b>

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FOR THE YEAR ENDED 31 DECEMBER 2022**


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**18. Pension commitments (continued)**

Reconciliation of present value of plan assets:

	2022 £000	2021 £000
Opening fair value of scheme assets	7,077	6,806
Contributions	127	127
Expected return	134	102
Actuarial gains/losses	(2,772)	232
Benefits paid	(148)	(190)
<b>Closing fair value of scheme assets</b>	<b>4,418</b>	<b>7,077</b>
	2022 £000	2021 £000
Fair value of plan assets	4,418	7,077
Present value of plan liabilities	(4,418)	(7,077)
<b>Net pension scheme liability</b>	<b>-</b>	<b>-</b>

The amounts recognised in profit or loss are as follows:

	2022 £000	2021 £000
Net interest from net defined benefit asset/liability	(1)	(1)
<b>Total</b>	<b>(1)</b>	<b>(1)</b>

The cumulative amount of actuarial gains and losses recognised in the Consolidated Statement of Comprehensive Income was £128,000 (2021 - £128,000).

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**18. Pension commitments (continued)**

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2022 %	2021 %
Discount rate	4.85	1.90
Future salary increases	3.70	3.90
Future pension increases	3.00	3.20
Proportion of employees opting for early retirement	2.70	2.90
Price inflation (RPI)	3.05	3.20
Price inflation (CPI)	2.70	2.90
Mortality rates		
- Current pensioners at 65 - male	23.1	23.1
- Current pensioners at 65 - female	25.2	25.4
- Future pensioners at 65 - male	24.7	24.6
- Future pensioners at 65 - female	26.9	26.9

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2022	2021
Equities	21.80%	31.40%
Debt instruments	72.80%	64.60%
Real estate	5.10%	3.70%
Net current assets	0.30%	0.30%
	100.00%	100.00%

**Defined contribution scheme**

The total pension cost charged for the year in these financial statements amounted to £127,000 (2021:£84,000). The unpaid contribution outstanding at year end was nil (2021:£nil).

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**19. Related party disclosures**

The ultimate controlling parties identified by the Company are various trusts, which are ultimately held for the benefit of the families of late Mortimer D. Sackler, M.D. and Raymond R. Sackler, M.D. There were no transactions with these trusts during the year (2021: £nil).

The annual value of transactions and the amounts outstanding at the year end with companies related to the ultimate controlling parties in respect of transactions with those companies during the year are as follows:

	Transaction value		Amounts outstanding	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Service charges receivable	16,756	30,079	6,398	3,977
Service charges payable	(768)	(581)	(830)	(62)
Sundry charges receivable	273	345	273	-
Sundry charges payable	(255)	(567)	(639)	(459)
Interest payable	(512)	(232)	(701)	(232)
Loans	(19,151)	(12,746)	(40,765)	(21,613)
Rent payable	(232)	(640)	(232)	(191)
Sale of Fixed assets	-	589	-	306

Mr S J Jamieson, a director of the Company, is also a director of Management Revisions Limited. During the year the Company supplied IT related services to Management Revisions Limited totalling £52,000 (2021: £46,000) of which £52,000 (2021: £114,000) was outstanding at 31 December 2022.

Management Revisions Limited rendered fees for accountancy services of £24,000 (2021: £55,000) to the Company of which £nil (2021: £nil) was outstanding at 31 December 2022.

**Key management personnel disclosure**

Certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the Group are considered to be key management personnel. Total remuneration in respect to these individuals is £1,262,000 (2021: £1,254,000).