

**McKesson Global Procurement & Sourcing Limited**

**Annual Report and Financial Statements**

**For the financial year ended 31 March 2023**

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## **McKesson Global Procurement & Sourcing Limited**

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## **McKesson Global Procurement & Sourcing Limited**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

Stanton McComb (Resigned on 30 June 2023)  
Gareth Bryn Thomas (Resigned on 31 March 2023)  
Francois Bodereau (Appointed on 31 March 2023)  
David Evangelista (Appointed on 1 November 2022)  
Jack Thomas Stephens III (Resigned on 15 July 2022)

#### **COMPANY SECRETARY**

TMF Corporate Administration Services Limited

#### **REGISTERED OFFICE**

TMF Group  
13<sup>th</sup> Floor  
One Angel Court  
London  
EC2R 7HJ  
United Kingdom

#### **BANKER**

HSBC Bank Plc  
London Branch  
60 Queen Victoria Street  
London  
EC4N 4TR  
United Kingdom

#### **SOLICITOR**

Linklaters LLP  
One Silk Street  
London  
EC2Y 8HQ  
United Kingdom

#### **AUDITOR**

Deloitte Ireland LLP  
Statutory Auditor  
No. 6 Lapp's Quay  
Cork  
T12 TA48  
Ireland

## **McKesson Global Procurement & Sourcing Limited**

### **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

#### **STRATEGIC REPORT**

The Directors, in preparing this Strategic Report, have complied with s414C of the Companies Act 2006. The report relates to the financial year ended 31 March 2023.

##### **Business Review and Principal Activity**

McKesson Global Procurement & Sourcing Limited (the Company) has two divisions: investment holding and global procurement. The principal assets of investment holding are its wholly owned subsidiaries as listed in note 9 to the financial statements. The global procurement division performs procurement strategy and sourcing services and performs vendor facing functions for McKesson affiliates.

As detailed in the Company's profit and loss account on page 12, the Directors reported a pre-tax loss for the financial year of (1,328m) (2022: \$186m).

The Balance Sheet reported on page 14 of the financial statements consists primarily of investments in wholly owned subsidiaries worth \$3,025m (2022: \$4,775m). The value of the net assets of the Company as at 31 March 2023 was \$820m (2022: \$1,736m).

##### **Principal risks and uncertainties**

The business is influenced by a number of key risks, as noted below, which can adversely affect the financial and operating performance of the business. The Board continually reviews risk through its own systems and controls, and where possible mitigates the risks that may impact our business, prospects, people, and financial results.

The Company remains confident that it has adequately financed its business operations and that the levels of liquidity in place are sufficient to meet its foreseeable requirements. Listed below are some of the key risks facing the Company and the related mitigating actions which have been identified.

- Foreign Currency risk is the risk that the Company is exposed to minimal translation and transaction foreign exchange risk. The Company regularly reviews its exposure to translation risk and where appropriate minimises this risk.
- Price risk is the risk that the Company's investments could become impaired. The Company undertakes an annual review of all investments and considers any impairment indicators.
- Credit risk is the risk that the Company could fail to successfully renegotiate existing contracts with suppliers given industry changes and the termination of an intercompany agreement with an affiliate. The Company is in the process of diversifying its business portfolio to generate new business and revenue opportunities.
- Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company aims to mitigate liquidity risk by managing cash generation by its operations, applying cash collection targets throughout the group.
- Cash flow risk is the risk of exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability. As required, the Company manages this risk through investments in cross-currency swaps.
- COVID-19 has continued to evolve since it was declared a global pandemic by the World Health Organization on March 11, 2020. We continue to evaluate the nature and extent of the impacts of COVID-19, including the impacts from the continued pandemic recovery, on our business, and financial results. At this time, the directors do not believe COVID-19 will have a material impact to the Company given the nature of our business.

## **McKesson Global Procurement & Sourcing Limited**

### **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

#### **STRATEGIC REPORT (continued)**

##### **Financial Key Performance Indicators (KPI's)**

Given the nature of the business, the Company's Directors are of the opinion that analysis using KPI's is not necessary for an understanding of the developments, performance or position of the business.

##### **Section 172(1) statement**

Under section 172 of the Companies Act 2006, the Directors of the Company are required to act in a way that they consider, in good faith; to be most likely to promote the success of the Company for the benefit of its members as a whole, and in so doing have regard, among other matters to:

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

In order to effectively discharge our responsibilities as directors in accordance with section 172, we continuously have regard to the matters outlined above. By aligning all our decision-making to the vision, values and purpose of the company alongside strategic priorities, we strive to achieve consistency in all our decisions. In addition to the factors set out above, we also have regard to other factors we consider relevant for example our relationship with regulators and the interest and views of members of the company. We recognise that some decisions may affect different stakeholders in different manners and as such believe a robust decision-making process allows for clear and consistent decision-making.

Day-to-day management of the Company is delegated to executives, as standard practice for large companies, who then engage with management to set out, approve and oversee execution of the business strategy and related policies. Board meetings are held periodically where the Directors consider the Company's activities and make decisions. The Directors ensure they have suitable access to information to allow them to make informed decisions and the directors consider whether they possess sufficient information regarding the stakeholder interests, which are affected by their actions. All matters which under the Company's governance arrangements are reserved for decision by the Directors are presented at Board meetings. We have set out below the key stakeholders of the Company, their primary interests in relation to the Company's operations and how such stakeholders are engaged with by the Directors and at an operational level.

##### **Employees**

The Company places considerable emphasis and value on the involvement of its employees, keeping them informed on matters affecting them as employees and on various factors affecting the performance of the Company. McKesson Corporation's ICARE Shared Principles of Integrity, Inclusion, Customer-First, Accountability, Respect and Excellence are embraced by the Company. The Company has set out in its vision statement that it strives to become the best place to work in healthcare, retaining and attracting the best talent by providing rewarding, dynamic careers. The annual employee engagement survey is used to formally capture employee views, is a key tool for understanding employee interests and concerns and informs management actions for the following year.

##### **Suppliers**

Strong global supplier relationships are key for the Company's success. Developing sourcing strategies and activities delivering a global value proposition that drives mutual McKesson and third-party supplier benefit. The Company works with global suppliers who provide high quality, effective medical and pharmaceutical products. Our suppliers are fundamental to the quality of our products.

## **McKesson Global Procurement & Sourcing Limited**

### **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

#### **STRATEGIC REPORT (continued)**

##### **Customers**

The Company's direct customers are McKesson group affiliates. Throughout the year the Board closely monitors customer metrics and McKesson business unit reports. Management work closely with our customers to understand their evolving needs so we can improve and adapt to meet them. The aspiration is to become one voice to customers giving McKesson more negotiation power to better serve customer needs.

##### **Community & environment**

At McKesson, contributing to the community is one of the ways we bring better health to life. The Company supports a range of charitable and community activity, based on employee input. Whilst the Company recognises that its core business activities have minimal direct environmental impact, there are environmental impacts in running the Company. The Company continues to use best practice in its disposal and recycling of waste.

##### **Government bodies & regulators**


We engage with various government bodies and regulators to ensure we are in compliance with the laws and regulations, health and safety and product safety. Engagement is through a range of industry consultations, forums and conferences where we are updated on the latest changes in the industry and to communicate our views to policy makers relevant to our business. Any new legal and regulatory developments are taken into account when considering future actions.

In certain instances, the Board may take the view that direct engagement of a specific stakeholder group is required. However due to the size and spread of our stakeholders, our stakeholder engagement would usually take place at an operational level. In our experience, this proves to be an efficient and effective approach, resulting in a greater positive impact on environmental and social issues.

##### **Conclusion**

By understanding the stakeholders and their interests, the Board has been able to factor their interests into decision making throughout the year and ensure that any decision taken is the one, which is most likely to promote the success of the Company in line with the directors' duty under section 172 of the Companies Act 2006.

Approved by the Board of Directors on December 07<sup>th</sup>, 2023, and signed on behalf of the Board.

DocuSigned by:  
  
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**Francois Bodereau**  
**Director**  
**Date:** 12/13/2023

**McKesson Global Procurement & Sourcing Limited**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL**  
**YEAR ENDED 31 MARCH 2023**

**DIRECTORS' REPORT**

The Directors present their annual report and the audited financial statements of the Company for the financial year ended 31 March 2023.

**Directors**

The Directors who served during the year and up to the date of this report are:

Stanton McComb (Resigned on 30 June 2023)  
Gareth Bryn Thomas (Resigned on 31 March 2023)  
Francois Bodereau (Appointed on 31 March 2023)  
David Evangelista (Appointed on 1 November 2022)  
Jack Thomas Stephens III (Resigned on 15 July 2022)

**Going Concern**

The Company's key risks are dealt with in the Strategic Report. The Company has adequate financial resources available to it and as a consequence, the Directors believe that the Company is well placed to manage its risks successfully. After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of this report. The Company incurred a loss on sale of business as a result of the divestiture of European subsidiaries. This was a non recurring transaction specific to the current financial year. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

**Share issue**

No shares were issued during the year.

**Functional currency**

The functional currency of the Company is the US dollar.

**Dividends**

The company declared and paid \$471m in dividends this year (2022: \$ \$nil).

**Directors' indemnities**

The Company maintains liability insurance for its Directors and officers. Following shareholder approval, the Company has also provided an indemnity for its Directors and the Company secretary, which is a qualifying third-party indemnity provision for the purposes of the Companies Act 2006.

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

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

Deloitte Ireland LLP have indicated their willingness to be reappointed for another term. Appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

**Political contributions**

During the financial year, the Company made no political donations, in line with the prior financial year.

**McKesson Global Procurement & Sourcing Limited**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL**  
**YEAR ENDED 31 MARCH 2023**

**DIRECTORS' REPORT (continued)**

**Strategic Report**

The Company has chosen in accordance with section 414C(11) of the Companies Act 2006 to set out in the Company's strategic report information required by schedule 7 of the Large and Medium-sized companies and Groups (Accounts and Reports) Regulations 2008. Refer to the Strategic Report for the future developments of the Company, a review of the principal risks and uncertainties and subsequent events

**Section 172 Disclosure**

The Company has included its statement on engagement with stakeholders and how the directors have regard for their duties under Section 172 of the Companies Act 2006 within the strategic report on pages 2 to 4, as required by the Companies (Miscellaneous Reporting) Regulations 2018.

**Streamlined Energy and Carbon Regulations**

In the opinion of the Directors, the Company has consumed less than 40,000kWh of energy during the financial year and therefore there is no further information required to be disclosed.

**Directors' Responsibilities Statement**

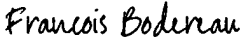
The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 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 of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board of Directors on December 07<sup>th</sup>, 2023, and signed on behalf of the Board.

DocuSigned by:  
  
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**Francois Bodereau**

**Director**

Date: 12/13/2023





Deloitte Ireland LLP  
Chartered Accountants &  
Statutory Audit Firm

## **Independent auditor's report to the members of McKesson Global Procurement & Sourcing Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion the financial statements of McKesson Global Procurement & Sourcing Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the statement of accounting policies; and
- the related notes 1 to 22.

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).

#### **Basis for opinion**

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

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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

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

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

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

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information 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.

#### **Responsibilities of directors**

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

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



#### **Auditor's responsibilities for the audit of the financial statements**

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

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect 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 considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. This included UK employment law and associated health and safety at work regulations.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our procedures performed to address it are described below:

- We presume a risk of material misstatement due to fraud related to revenue recognition and evaluate which types of revenue, revenue transactions or assertions give rise to such risks. The significant risk has been pinpointed to the accuracy assertion, in particular in relation to the calculation involved in the recharge. We assessed the design and determined the implementation of the relevant control over how revenue was calculated. We performed a recalculation of revenue recognised in the financial year.



In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

#### **Report on other legal and regulatory requirements**

##### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

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

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

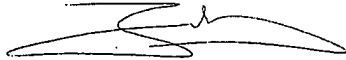
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law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

We have nothing to report in respect of these matters.

# Deloitte.

## Use of our report

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



John Kelly (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP  
Chartered Accountants & Statutory Audit Firm  
No. 6 Lapp's Quay  
Cork  
Ireland

Date 13 December 2023

**McKesson Global Procurement & Sourcing Limited**  
**PROFIT AND LOSS ACCOUNT**  
**For the financial year ended 31 March 2023**

	Notes	2023 \$'000	2022 \$'000
<b>TURNOVER</b>	<b>4</b>	52,883	55,716
<b>GROSS PROFIT</b>		<u>52,883</u>	<u>55,716</u>
<b>ADMINISTRATIVE EXPENSES</b>			
Before exceptional items		(19,155)	(14,616)
Impairment of intangibles	<b>10</b>	-	(39,966)
Impairment of investments	<b>9</b>	(358,219)	(31,087)
		<u>(377,374)</u>	<u>(85,669)</u>
<b>Loss on Sale of Business</b>	<b>9</b>	(627,077)	-
<b>OPERATING (LOSS)</b>		<u>(951,568)</u>	<u>(29,953)</u>
Net finance costs	<b>7</b>	(145,940)	(155,900)
Intercompany dividend income		638,100	-
<b>LOSS BEFORE TAXATION</b>		<u>(459,409)</u>	<u>(185,853)</u>
Tax benefit	<b>8</b>	11,660	24,756
<b>LOSS FOR THE FINANCIAL YEAR</b>		<u>(447,749)</u>	<u>(161,097)</u>

The notes on pages 16 to 31 form an integral part of these financial statements.

**McKesson Global Procurement & Sourcing Limited**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**For the financial year ended 31 March 2023**

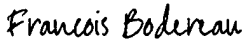
	Notes	2023 \$'000	2022 \$'000
Loss for the financial year		(447,749)	(161,097)
(Loss)/gain on financial derivatives		-	(2,080)
Deferred tax - derivatives		-	(11)
Total comprehensive loss for the financial year		<u>(447,749)</u>	<u>(163,188)</u>

**McKesson Global Procurement & Sourcing Limited**  
**BALANCE SHEET**  
**For the financial year ended 31 March 2023**

	Notes	2023 \$'000	2022 \$'000
<b>FIXED ASSETS</b>			
Investments	9	3,025,196	4,775,471
Intangible Assets	10	742	7,399
Tangible Assets	11	-	-
		<u>3,025,938</u>	<u>4,782,870</u>
<b>CURRENT ASSETS</b>			
Debtors	12	1,005,797	717,887
Cash at bank and in hand		25,249	44,514
		<u>1,031,046</u>	<u>762,401</u>
<b>CREDITORS: amounts falling due within one year</b>	13	<u>(463,381)</u>	<u>(1,035,012)</u>
<b>NET CURRENT ASSETS/LIABILITIES</b>		<u>567,665</u>	<u>(272,611)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		3,593,603	4,510,259
<b>CREDITORS: amounts falling due after one year</b>	14	(2,773,285)	(2,773,285)
<b>PROVISIONS FOR LIABILITIES</b>	15	<u>(369)</u>	<u>(196)</u>
<b>NET ASSETS</b>		<u>819,949</u>	<u>1,736,777</u>
<b>CAPITAL AND RESERVES</b>			
Share Capital	17	1	1
Capital Contribution		878,649	1,463,412
Share Premium		(0)	5,305,693
Dividend Declared		(471,000)	-
Profit and Loss Account		412,299	(5,032,329)
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<u>819,949</u>	<u>1,736,777</u>

These financial statements were approved by the Board of Directors and authorised for issue on December 7th, 2023.

Signed on behalf of the Board of Directors

DocuSigned by:  
  
 1D9D547E0F9D456  
**Francois Bodereau**  
**Director**  
**Date: 12/13/2023**



**McKesson Global Procurement & Sourcing Limited**  
**STATEMENT OF CHANGES IN EQUITY**  
**For the financial year ended 31 March 2023**

	Notes	Called Up Share Capital \$'000	Capital Contribution \$'000	Share Premium \$'000	Profit and Loss Account \$'000	Dividends Declared	Total \$'000
<b>1 April 2021</b>		1	892,797	5,305,693	(4,869,547)		1,328,944
Capital Contribution		-	570,615	-	-		570,615
Loss for the financial year		-	-	-	(161,782)		(161,782)
Other comprehensive		-	-	-	(1,685)		(1,685)
<b>31 March 2022</b>	<b>17</b>	<b>1</b>	<b>1,463,412</b>	<b>5,305,693</b>	<b>(5,032,329)</b>		<b>(1,736,777)</b>
<b>1 April 2022</b>		1	1,463,412	5,305,693	(5,032,329)		1,736,777
Reanalysis of Balance			(586,682)	586,682			-
Capital Contribution			1,919		1		1,920
Capital Reduction				(5,892,375)	5,892,375		-
Loss for the financial year					(447,749)		(447,749)
Dividends Declared						(471,000)	(471,000)
Other					1		1
<b>31 March 2023</b>	<b>17</b>	<b>1</b>	<b>878,649</b>	<b>(0)</b>	<b>412,299</b>	<b>(471,000)</b>	<b>819,949</b>

**McKesson Global Procurement & Sourcing Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the financial year ended 31 March 2023**

**1. ACCOUNTING POLICIES**

**General Information and Basis of Accounting**

McKesson Global Procurement & Sourcing Limited (the Company) is a private Company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is shown on page 1.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The financial statements are prepared in US dollars which is the presentational and functional currency of the Company and rounded to the nearest thousand.

In accordance with section 401 of the Companies Act 2006, the Company has taken the exemption not to prepare consolidated financial statements as it is a wholly owned subsidiary of a Company incorporated in the United States of America which prepares consolidated financial statements that are publicly available.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Exemptions have been taken in these separate Company financial statements in relation to presentation of a cash flow statement.

**Turnover**

Turnover is accounted for as that of an agent and is presented net. The Company acts as an intermediary which involves negotiations of rebates with third party suppliers and the turnover represents the Company's share of income received and receivable in respect of the period. In addition, the Company has specific income which is recognised only when the economic benefits flow to the Company are confirmed. Turnover is presented exclusive of VAT and is accounted for in accordance with Section 23 of FRS 102.

**Interest receivable**

Interest is recognised using the effective interest method.

**Dividend Income**

Dividend income is recognised upon receipt.

**Tangible Fixed Assets**

All tangible fixed assets are stated at cost less provision for impairment and less accumulated depreciation.

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The annual rates of depreciation are as follows:

Equipment	3-5 years straight-line
Building and leasehold improvements	3-4 years straight-line
Fixtures and Fittings	3-4 years straight-line

**McKesson Global Procurement & Sourcing Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the financial year ended 31 March 2023**

**1. ACCOUNTING POLICIES (continued)**

**Intangible Fixed Assets**

Intangible assets acquired separately are recognised initially at cost. Intangible assets acquired in a business acquisition are recognised initially at fair value as at the date of acquisition. Following initial recognition, the intangible asset is carried at its cost or initial fair value less any accumulated amortisation and accumulated impairment losses.

The Company periodically assesses the recoverability of the cost of its intangible assets whenever events or changes in circumstances indicate that the carrying value of the assets may not be recoverable. Measurement of impairment losses for intangible assets that the Company expects to hold and use is based on the estimated net realisable values of the assets. Estimates of net realisable values are based on the results of valuation techniques utilising discounted cash flows (using the lowest level of identifiable cash flows) or fundamental analysis. Intangible assets to be disposed of, either by sale or abandonment, are reported at the lower of carrying amount or net realisable value less costs of disposal.

Amortisation is based on the cost of an asset less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. Intangible assets are amortised over three to twenty years apart from the amortisation of enhancements of held for sale software which are amortised based on either the separate method or cumulative method depending on whether certain criteria are met. Intangible assets are stated at cost less accumulated amortisation. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted as necessary. The useful life is 3 to 20 years. Amortisation is recognised within administrative expenses in the profit and loss account.

**Impairment of assets**

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

**Non-financial assets**

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced to below its carrying amount. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

**Financial assets**

If at the end of the reporting period, there is objective evidence of impairment (including observable data about loss events), the Company recognises an impairment loss in profit or loss immediately. For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

**Investments**

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for relief from the recognition of share premium, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

**Leases**

Operating lease costs are charged to the profit and loss account as incurred, on a straight-line basis over the lease term.

**McKesson Global Procurement & Sourcing Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the financial year ended 31 March 2023**

**1. ACCOUNTING POLICIES (continued)**

**Financial Instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

*Derivative financial instruments*

The Company uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The Company does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

*Fair value measurement*

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

*Hedge accounting*

The Company designates certain derivatives as hedging instruments in cash flow hedges.

At the inception of the hedge relationship, the entity documents the economic relationship between the hedging instrument and the hedged item, along with its risk management objectives and clear identification of the risk in the hedged item that is being hedged by the hedging instrument. Furthermore, at the inception of the hedge the Group determines and documents causes for hedge ineffectiveness.

*Cash flow hedges*

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods in which the hedged item affects profit or loss or when the hedging relationship ends, except for the hedging of inventory purchases when the amount is reclassified from the hedging reserve and included in the cost of inventory at initial recognition. Hedge accounting is discontinued when the Company revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any gain or loss accumulated in equity at that time is reclassified to profit or loss when the hedged item is recognised in profit or loss. When a forecast transaction is

**McKesson Global Procurement & Sourcing Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the financial year ended 31 March 2023**

**1. ACCOUNTING POLICIES (continued)**

no longer expected to occur, any gain or loss that was recognised in other comprehensive income is reclassified immediately to profit or loss.

**Going concern**

The Company's business activities, together with the factors likely to affect its future development, performance and position have been set out in the Strategic Report and Directors' Report.

The Company has adequate financial resources available to it. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully in the current economic climate.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

**Foreign exchange**

Transactions during the financial year have been translated at the rate of exchange ruling at the date of the transaction. Assets and liabilities denominated in other currencies are translated at the rate of exchange ruling at the balance sheet date. The resulting profits or losses are dealt with in the profit and loss account.

**Taxation**

Current UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditures in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

**Pensions and other post-retirement benefits**

Contributions to defined contribution schemes are recognised in the profit and loss account in the period in which they became payable.

**Cash and cash equivalents**

Cash and cash equivalents include highly liquid instruments purchased with a maturity of three months or less.

**Provisions and contingencies**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

**McKesson Global Procurement & Sourcing Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the financial year ended 31 March 2023**

**2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Company's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

*Critical judgements in applying the Company's accounting policies*

Critical judgements in applying the Company's accounting policies relate primarily to revenue recognition. Accrued income involves estimation and judgement as actual volume is unknown at the time of year end close. There are no other critical judgements, apart from those involving estimations (which are dealt with separately below), that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

*Key source of estimation uncertainty – impairment of investments*

The Company holds significant investments in subsidiaries. The Directors are required to assess whether there are any indications of impairment. Investments are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss.

**3. INFORMATION REGARDING DIRECTORS**

Remuneration paid to Directors directly from the company was \$500k (2022: \$430k). The Directors did not exercise share options in the period and no shares were received under long-term incentive schemes by the Directors. This is in line with the prior period.

**4. TURNOVER**

Turnover, all of which arises from continuing operations, comprises income earned from other group undertakings on the collection of rebates from suppliers / contract manufacturers. The Company acts as a service provider and presents its turnover net. The role of the company involves negotiations of rebates with third party suppliers. The turnover represents the Company's share of income received and receivable. Further analysis of turnover has not been disclosed as, in the opinion of the Directors, disclosure would be seriously prejudicial to the interests of the Company.

**5. OPERATING LOSS**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Operating loss is stated after expensing:		
Amortisation	6,657	11,524
Operating lease charges	489	682
Auditor's remuneration	36	39

**McKesson Global Procurement & Sourcing Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the financial year ended 31 March 2023**

**6. EMPLOYEES AND REMUNERATION**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Employee costs during the year amounted to:		
Wages and Salaries	10,486	10,658
Social Security costs	1,791	1,464
Pensions	426	453
	<b>12,703</b>	<b>12,575</b>

The Company had on average 71 employees including directors during the year, with the average in the prior financial year being 65.

The table below represents the number of staff employed in each function at the financial year end:

Commercial	29	28
Non-Commercial	17	61
	<b>46</b>	<b>89</b>

**7. NET FINANCE (COSTS)/INCOME**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest income from group undertakings	32,149	33,435
Interest expense to group undertakings	(182,030)	(188,882)
Interest income to/from third party banks	8,810	
Interest expense to/from third party banks	(135)	(972)
Foreign exchange (losses)/gains	(4,734)	519
Net finance costs	<b>(145,940)</b>	<b>(155,900)</b>

**McKesson Global Procurement & Sourcing Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the financial year ended 31 March 2023**

**8. TAX BENEFIT**

(a) The tax benefit is made up of:

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Current tax benefit:		
UK corporation tax at 19%	(20,503)	(21,977)
Adjustment in respect of prior years	(370)	6,306
Foreign withholding tax	1,059	1,996
Total current tax benefit	(19,814)	(13,675)
Deferred tax:		
Origination and reversal of timing differences	(140)	834
Impact of tax rate change		(5,886)
Adjustment in respect of prior years	8,294	(6,029)
Total deferred tax	8,154	(11,081)
Tax benefit on loss (note 8 (b))	(11,660)	(24,756)

(b) In the Spring Budget 2021 the UK government announced an increase in the UK corporation tax rate from 19% to 25% with effect from 1 April 2023, and this was enacted in May 2021. Where applicable, deferred tax balances were remeasured at the enacted rate.

The difference between the total tax expense shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Loss before tax	(459,409)	(185,853)
Tax at standard UK corporation tax rate of 19%	(87,288)	(35,312)
Effects of		
-Foreign withholding tax	1,059	1,996
-Expenses not deductible for tax purposes	119,145	(462)
-Non-taxable income	(121,239)	-
-impairment of Investments	68,062	5,907
-Prior year adjustment -- deferred tax	8,294	(6,029)
-Prior year over provision -- current tax	(370)	6,306
-Release loss of future deferred gains		8,723
-Impact of tax rate change		(5,886)
-Other	677	
Total tax benefit for the year	(11,660)	(24,756)



**McKesson Global Procurement & Sourcing Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**8. TAX BENEFIT (continued)**

(c) Deferred Tax

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

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Included in debtors (note 12)	6,517	14,671
Fixed asset timing differences	108	8,265
Short term timing differences	3	-
Tax losses	8,176	8,176
Other	(1,771)	(1,771)
Deferred tax asset	6,517	14,671
The movements in the total deferred tax asset are as follows:		
At beginning of the year	14,671	3,601
Deferred tax movement in the income statement	(8,154)	11,081
Deferred tax movement in the statement of comprehensive income		(11)
At the year end	6,517	14,671

Deferred tax assets of \$170m (2022: \$165m) in respect of capital losses have not been recognised as their use is uncertain or not currently anticipated.

**9. INVESTMENTS**

	<b>Investment in Subsidiaries \$ '000</b>
Cost	
At 1 April 2022	4,775,470
Additions	522,864
Disposals	(1,914,920)
At 31 March 2023	<u>3,383,414</u>
Provisions for impairment	
At 1 April 2022	-
Additions	(358,219)
Divestments	
At 31 March 2023	<u>(358,219)</u>
Net book value	
At 31 March 2023	<u>3,025,196</u>

**McKesson Global Procurement & Sourcing Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the financial year ended 31 March 2023**

**9. INVESTMENTS (continued)**

The company's direct subsidiaries are listed below:

<b>Name</b>	<b>Address</b>	<b>Principal Activity</b>	<b>% Shareholding of Ordinary Share Capital</b>
McKesson UK Finance Limited	VTMF Corporate Administration Services Limited, 5th Floor, 6 St. Andrew Street, London EC4A 3AE, United Kingdom	Financing Company	100 % Ownership
McKesson Europe Services GmbH	Stockholmer Platz 1, 70173 Stuttgart, Germany	Investment Holding and Services Company	100 % Ownership
McKesson Europe Holdings GmbH & Co. KGaA	Stockholmer Platz 1, 70173 Stuttgart, Germany	Investment Holding and Services Company	Sold in FY23
McKesson Europe Holdings Verwaltungs GmbH	Stockholmer Platz 1, 70173 Stuttgart, Germany	Investment Holding and Services Company	Sold in FY23
Admenta UK Limited	Sapphire Walsgrave Coventry CV2 United Kingdom	Court Triangle 2TX Investment Holding and Services Company	Sold in FY23

In April 2022, the Company sold Admenta UK Limited to Aurelius Elephant Limited and on November 1, 2022, McKesson Europe Holdings GmbH & Co. KGaA and McKesson Europe Holdings Verwaltungs GmbH was sold to the PHOENIX Group. A loss of \$627m arose as a result.

**10. INTANGIBLE FIXED ASSETS**

	<b>Intellectual Property \$ '000</b>	<b>Computer Software \$'000</b>	<b>Total \$ '000</b>
<b>Cost</b>			
1 April 2022	24,051	2,529	26,580
Impairment (a)			-
Disposals	(24,051)		(24,051)
31 March 2023	-	2,529	2,529
<b>Accumulated amortisation</b>			
1 April 2021	17,689	1,492	19,181
Charge for the financial year	6,362	295	6,657
Disposals	(24,051)		(24,051)
31 March 2023	-	1,787	1,787
<b>Net book value</b>			
31 March 2023	-	742	742
31 March 2022	6,362	1,037	7,399

(a) In October 2022, the Company disposed of its intellectual property upon the sale of European investments.

**McKesson Global Procurement & Sourcing Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**11. TANGIBLE FIXED ASSETS**

	<b>Equipment</b>	<b>Building &amp; Leasehold Improvements</b>	<b>Fixtures and Fittings</b>	<b>Total</b>
	<b>\$ '000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$ '000</b>
<b>Cost</b>				
At 1 April 2022	37	1,212	230	1,479
Additions	-	-	-	-
At 31 March 2023	37	1,212	230	1,479
<b>Accumulated depreciation</b>				
At 1 April 2022	37	1,212	230	1,479
Expense for the financial year	-	-	-	-
At 31 March 2023	37	1,212	230	1,479
<b>Net book value</b>				
At 31 March 2023	-	-	-	-
At 31 March 2022	-	-	-	-

**12. DEBTORS**

	<b>2023</b>	<b>2022</b>
	<b>\$ '000</b>	<b>\$ '000</b>
Amounts due from group undertakings within one year (a)	926,732	662,561
Accrued income	37,735	40,310
Deferred tax asset	6,517	14,671
Phoenix Group Receivable	23,148	-
Tax Credit Receivable	5,047	-
Withholding Tax Receivable	5,755	-
Prepayments	632	92
Other	232	253
<b>Total Debtors due within one year</b>	<b>1,005,797</b>	<b>717,887</b>

- (a) Amounts due from group undertakings consist of \$200m of a 5.50% interest bearing loan due 5 October 2023 (2022: \$nil) and \$700m of a 5.60% interest bearing loan due 2 November 2023 (2022: \$nil). In 2023, a 5.48% interest-bearing loan of \$269 million, which was due on December 21, 2022, was settled upon reaching maturity. These are unsecured loans. The remaining amounts are trading balances which are non-interest bearing.
- (b) The company established receivables upon the sale of certain European entities to the PHOENIX group (see Note 9) including a receivable for the remaining cash proceeds owed of \$23.1m (€21.3m). and a tax receivable of \$5m (€4.7m), in relation to the tax credit refunds owed to the company by the PHOENIX group post divestiture.
- (c) Cross currency swaps consist of agreements with a group company which are presented net and matured and settled during the financial year-ended 31 March 2022.

**McKesson Global Procurement & Sourcing Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the financial year ended 31 March 2023**

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Amounts owed to group undertakings	434,778	440,210
Bank overdraft	457	573,937
Accruals	6,832	4,067
Indemnification	21,266	-
VAT liability	48	102
Corporation tax liability	(0)	16,696
	<u>463,381</u>	<u>1,035,012</u>

- a) The company retained legal indemnification liabilities in the amount of net R\$103.3m (\$20.4m) and €800k (\$867k) upon the sale of McKesson Europe Holdings GmbH & Co. KGaA to the Phoenix Group.

**14. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Amounts owed to group undertakings (a)	<u>2,773,285</u>	<u>2,773,285</u>
	<u>2,773,285</u>	<u>2,773,285</u>

- (a) The amounts owed to group undertakings consist of a \$2,773m of a 6.01% interest bearing loan due 15 March 2035 (2022: \$2,773m). This is an unsecured loan.

**15. PROVISIONS FOR LIABILITIES**

	<b>2023</b>	<b>2022</b>
	<b>\$ '000</b>	<b>\$ '000</b>
Dilapidation provision	<u>369</u>	<u>196</u>

The Company performed an extensive upgrade of their leased premises and as a result are maintaining a dilapidation accrual. The Company will most likely be required to return the premises to its original state upon termination of the lease.

**McKesson Global Procurement & Sourcing Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**16. FINANCIAL INSTRUMENTS**

The carrying values of the Company's financial assets and liabilities are summarised by category below:

	<b>2023</b>	<b>2022</b>
	<b>\$ '000</b>	<b>\$ '000</b>
Financial assets		
Measured at cost less impairment		
· Other investments (see note 9)	3,025,196	4,775,471
Measured at undiscounted amount receivable		
· Trade and other debtors	61,747	40,655
· Amount due from group undertakings (see note 12)	926,732	662,561
	<u>4,013,675</u>	<u>5,478,687</u>

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Financial liabilities		
Measured at undiscounted amount payable		
· Trade and other payables (see note 13)	6,832	4,067
· Amount owed to group undertakings within one year (note 13)	434,778	440,210
· Amount owed to group undertakings after one year (note 14)	2,773,285	2,773,286
	<u>3,214,895</u>	<u>3,217,563</u>

Interest income and interest expense calculated using effective interest rate method

· Interest income on financial assets measured at amortised cost (see note 7)	40,959	33,266
· Interest expense on financial liabilities measured at amortised cost (see note 7)	(182,165)	(189,685)
	<u>(141,206)</u>	<u>(156,419)</u>

The Company's income, expense, gains and losses in respect of financial instruments are summarised below:

Fair value gains and losses		
· On derivative financial liabilities designated in an effective hedging relationship (OCI)	-	(2,080)
	<u>-</u>	<u>(2,080)</u>

**McKesson Global Procurement & Sourcing Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**17. SHARE CAPITAL AND RESERVES**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Allotted Called-Up and Fully Paid	1	1
996 (2022: 996) ordinary shares of \$1 each	1	1

The Company's reserves are as follows:

The profit and loss reserve represents cumulative profits or losses less dividends paid. The capital contribution reserve account represents capital contributions received. The share premium reserve contains the premium arising on the issue of equity shares, net of issue expenses.

**18. RELATED PARTY TRANSACTIONS**

Advantage has been taken of the exemptions for 100% owned subsidiaries contained within Section 33 of FRS 102 not to disclose transactions with group companies.

**Key management compensation**

Key management personnel are considered to be the Directors of the Company. Directors' remuneration from the Company directly for the financial year was \$500k (2022: \$430k).

**19. OPERATING LEASE COMMITMENTS**

The Company has commitments under non-cancellable operating leases as follows:

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Payments due:		
<b>Within one year</b>	770	731
Between two and five years	1,659	1097
	<b>2,429</b>	<b>1,828</b>

The total lease payments recognised as an expense during the year was \$489k (2022: \$682k).

**20. PENSION BENEFITS**

The Company operates a defined contribution pension scheme. The pension benefits are funded by way of contributions to the schemes and are charged to the profit and loss account as they arise. McKesson uses a 3rd party pension provider, the employee elects to contribute earnings to the fund, the Company will contribute a percentage. There are no pension fund assets or liabilities on the company's balance sheet, in addition the elected contributions are not connected to the company's profits. The defined contribution pension costs for the financial year were \$426k (2022: \$453k).

**McKesson Global Procurement & Sourcing Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the financial year ended 31 March 2023**

**21. SUBSEQUENT EVENTS**

The 3rd party receivable with the PHOENIX group (Note 12) has been settled in full on September 12<sup>th</sup>, 2023. The Company wrote off €11.4m as a loss on sale of business on the Income Statement; and applied cash of €9.9m.

The Company received a cash payment of €2.8m for the established R&D Tax receivable (Note 12) on August 25, 2023.

On October 5, 2023, an intercompany loan of \$200m between the Company, and McKesson US Finance Corporations' maturity date was extended by a term of one (1) year to October 5, 2024 at an adjusted interest rate of 6.481%.

On November 1, 2023, an intercompany loan of \$700m between the Company, and McKesson US Finance Corporations' maturity date was extended by a term of 6 months to May 2, 2024 at an adjusted interest rate of 6.541%.

**22. ULTIMATE PARENT COMPANY**

The Company's immediate parent undertakings are McKesson International Bermuda IP2A Limited and McKesson International IP2B Unlimited. The Company's ultimate parent undertaking and controlling party is McKesson Corporation, a Company which is incorporated in the State of Delaware, USA.

The largest and smallest group of which McKesson Global Procurement & Sourcing Limited is a member and for which group financial statements are prepared is that headed by McKesson Corporation.

The consolidated financial statements for McKesson Corporation are available to the public and may be obtained from <http://investor.mckesson.com/reports>.