

Clinigen International Holdings Limited

Unaudited Annual Report and Financial Statements

for the year ended 30 June 2021

Company registered number 10618230

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Directors and other information

Directors

SE Chilton

RJ Paling

Company secretary

A Miller

Registered office

Pitcairn House

Crown Square

First Avenue

Centrum 100

Burton-on-Trent

Staffordshire

DE14 2WW

Registered number

10618230

Strategic report

The directors present their Strategic report for the year ended 30 June 2021.

Principal activity

The Company is a wholly owned subsidiary of Clinigen Group plc and its principal activity is to act as an intermediate holding company for the Clinigen Group's international subsidiaries in the US, Ireland and the Netherlands.

Review of the business and future developments

During the year, the Company acquired 100% of the share capital of Clinigen Ireland Limited from Quantum Pharmaceutical Limited, a fellow subsidiary undertaking of the Clinigen Group for consideration of £2,200,000.

Going forward the directors intend for the Company to continue acting as an intermediate holding company.

Key performance indicators

As the Company acts as an intermediate holding company with no trading activities of its own, the directors do not believe that analysis using key performance indicators is necessary or appropriate for understanding its development, performance or position. Information on the Clinigen Group's key performance indicators is provided in its Annual Report.

Principal risks and uncertainties

The principal operational risks and uncertainties facing the wider Clinigen Group, together with the means by which they are managed or mitigated are set out in the Clinigen Group plc Annual Report.

On behalf of the Board



RJ Paling

Director

17 March 2022

Directors' report

The directors present their report and unaudited financial statements for the year ended 30 June 2021. Clinigen International Holdings Limited ('the Company') is a private company limited by shares, incorporated and domiciled in the United Kingdom. Its company number is 10618230.

Going concern

The Company has net current liabilities of £2,200,050 and is therefore reliant on continued support from its ultimate parent company, Clinigen Group plc, to ensure that it can pay its debts as they fall due, however the Company's creditors consist solely of companies within the Clinigen Group. Clinigen Group plc has confirmed that it will continue to support the Company for the next 12 months following approval of these financial statements and for the foreseeable future, to allow the Company to meet its liabilities as they fall due and will not seek repayment of amounts currently made available to the Company by Group undertakings.

Following the shareholder vote on 8 February 2022 to approve the Scheme of Arrangement for the all-cash acquisition of the Company's ultimate parent undertaking Clinigen Group plc by Trilex Bidco Limited, the Directors have considered the impact on their assessment of going concern. The Directors recognise that unavoidable uncertainties exist regarding the future plans and funding requirements for the business under the new ownership and board of directors, given the timing of the completion of the acquisition for the going concern assessment.

The existence of this scenario is considered to qualify as a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. However, notwithstanding any uncertainty regarding post completion activities, the Directors have a reasonable expectation that the Company can continue in operation and meet its liabilities as they fall due, for a period of no less than 12 months from the date of approval of these financial statements and are therefore satisfied that the going concern basis remains appropriate for the preparation of the financial statements. These financial statements do not include the adjustments that would result if the Group was no longer to be considered a going concern.

Directors

The directors who held office during the year and up to the date of signing the financial statements were:

SE Chilton

NP Keher (resigned 24 August 2021)

RJ Paling (appointed 24 August 2021)

Directors' indemnity insurance

During the year and up to the date of signing of this report, the Company, through the Group, maintained liability insurance and third party indemnification provisions for its directors and the company secretary.

Dividends

The directors do not propose a dividend for the current financial year (2020: none).

Audit exemption

For the year ended 30 June 2021, the Company was entitled to exemption from audit under s479A of the Companies Act 2006 relating to subsidiary companies.

In respect of this exemption, the directors confirm that the members have not required the Company to obtain an audit of its accounts in accordance with s476 of the Companies Act 2006.

Clinigen International Holdings Limited

On behalf of the Board



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RJ Paling

Director

17 March 2022

Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements

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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Standard applicable in the UK and Republic of Ireland', and applicable law). 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

The directors 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.

Profit and loss account for the year ended 30 June 2021

The Company has not traded during the year and has not received any income or incurred any expenditure and therefore made neither profit nor loss.

There were no items relating to components of other comprehensive income.

Clinigen International Holdings Limited

Balance sheet as at 30 June 2021

	Notes	2021 £	2020 £
Assets			
Fixed assets			
Investments	4	2,200,051	51
Current assets			
Debtors	5	1	1
Total assets		2,200,052	52
Current liabilities			
Creditors: amounts due within one year	6	(2,200,051)	(51)
Net current liabilities		(2,200,050)	(50)
Net assets		1	1
Capital and reserves			
Called up share capital	7	1	1
Total shareholders' funds		1	1

Company number: 10618230

The notes on pages 9 to 14 form an integral part of these financial statements.

Audit exemption

For the year ended 30 June 2021, the Company was entitled to exemption from audit under s479A of the Companies Act 2006 relating to subsidiary companies.

In respect of this exemption, the directors confirm that the members have not required the Company to obtain an audit of its accounts in accordance with s476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

These financial statements were approved and authorised for issue by the Board of Directors on 17 March 2022 and were signed on its behalf by:



RJ Paling
Director

Statement of changes in equity

for the year ended 30 June 2021

There were no changes in components of equity during either the current or preceding years.

Notes to the financial statements

for the year ended 30 June 2021

1. Company information

Clinigen International Holdings Limited is a private company incorporated, domiciled and registered in England in the UK. The registered number is 10618230 and the registered address is Pitcairn House, Crown Square, Centrum 100, Burton-on-Trent, Staffordshire, DE14 2WW.

The Company is a subsidiary undertaking of Clinigen Holdings Limited, incorporated and domiciled in the United Kingdom. Clinigen Group plc is the ultimate parent company and controlling party.

The principal accounting policies adopted by the Company are set out in note 2.

2. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services. The financial statements are presented in sterling.

The Company is a wholly owned subsidiary of Clinigen Group plc and is included in its consolidated group financial statements which are publicly available. The Company is therefore exempt from the requirement to prepare consolidated financial statements under the Companies Act 2006. Accordingly, these financial statements present information about the Company as an individual undertaking and not about its group.

The financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

As the Company is a wholly owned subsidiary of Clinigen Group plc, it is a qualifying entity as defined by FRS 102 and therefore the Company has taken advantage of the following exemptions in these financial statements:

- Reconciliation of number of shares outstanding at the beginning and end of the period;
- Cash flow statement and related notes; and
- Key management personnel compensation.

As the consolidated financial statements of Clinigen Group plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 *Share-based payments*; and
- Certain disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments.

Going concern

The Company has net current liabilities of £2,200,050 and is therefore reliant on the continued financial support of its ultimate parent Company to fund its working capital needs. The Directors have received confirmation of continuing financial support from Clinigen Group plc, such that it will continue to make sufficient funds available to the Company for the next 12 months following approval of these financial statements, and thereafter for the foreseeable future, to allow the Company to meet its liabilities as they fall due in the normal course of business and will not seek repayment of amounts currently made available to the Company by Group undertakings. The Group has considerable financial resources and financing facilities and has prepared detailed business plans for a period of 36 months that model headroom on the agreed financial covenants. The Directors are satisfied that, after sensitising the business plans for reasonably possible downside scenarios, there remains adequate headroom above the covenants that are in place.

Notes to the financial statements (continued)

for the year ended 30 June 2021

2. Accounting policies (continued)

Going concern (continued)

Following the shareholder vote on 8 February 2022 to approve the Scheme of Arrangement for the all-cash acquisition of the Company's ultimate parent undertaking Clinigen Group plc by Trilevy Bidco Limited, the Directors have considered the impact on their assessment of going concern. The Directors recognise that unavoidable uncertainties exist regarding the future plans and funding requirements for the business under the new ownership and board of directors, given the timing of the completion of the acquisition for the going concern assessment.

The existence of this scenario is considered to qualify as a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. However, notwithstanding any uncertainty regarding post completion activities, the Directors have a reasonable expectation that the Company can continue in operation and meet its liabilities as they fall due, for a period of no less than 12 months from the date of approval of these financial statements and are therefore satisfied that the going concern basis remains appropriate for the preparation of the financial statements. These financial statements do not include the adjustments that would result if the Group was no longer to be considered a going concern.

Foreign currency translation

The Company's functional currency and presentation currency is sterling. Transactions in foreign currencies are initially recorded in the functional currency by applying the spot exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are recognised in the profit and loss account within interest payable and similar charges.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The Company does not apply hedge accounting of foreign exchange risks in its company financial statements.

Valuation of investments

Investments held as fixed assets are stated at cost less any provision for impairment. Investments held as current assets are stated at the lower of cost and net realisable value.

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount in order to determine the extent of the impairment loss. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or company of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses on continuing operations are recognised in the profit and loss account in those expense categories consistent with the function of the impaired asset.

For assets where an impairment loss subsequently reverses (excluding goodwill), the carrying amount of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined, net of amortisation, had no impairment losses been recognised for the asset or cash generating unit in prior years. A reversal of impairment loss is recognised immediately in the profit and loss account, unless the asset is carried at a revalued amount when it is treated as a revaluation increase.

Notes to the financial statements (continued)

for the year ended 30 June 2021

2. Accounting policies (continued)

Financial instruments

a. Financial assets

Trade and other receivables

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

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

b. Financial liabilities

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest rate method.

c. Fair values

The Company measures non-financial assets, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Notes to the financial statements (continued)

for the year ended 30 June 2021

2. Accounting policies (continued)

c. Fair values (continued)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

d. Derecognition of financial instruments

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or it expires.

A financial asset is derecognised when the rights to receive cash flows from the asset have expired.

Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

In particular the Company has identified the following areas where significant judgement, estimates and assumptions are required.

a. Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

Carrying value of investments

The carrying value of investments is at cost less any impairment. Annual impairment trigger reviews are undertaken at the end of the financial year or more frequently if events or changes in circumstances indicate a potential impairment. Investments are not traded in an active market, hence the fair value of the asset is determined using discounted cash flows which requires the Company to use judgement and assumptions.

b. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

Fair value measurement

The fair value of an asset or a liability is measured using the assumption that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value.

Notes to the financial statements (continued)

for the year ended 30 June 2021

3. Staff cost and directors' remuneration

The Company had no employees during the year (2020: nil) and accordingly no employee costs are included in these financial statements. Directors' remuneration is borne by the parent company, Clinigen Group plc.

4. Investments

	£
<i>Cost or valuation</i>	
At 30 June 2020	51
Purchase of Clinigen Ireland Limited	2,200,000
At 30 June 2021	2,200,051

The Company's subsidiary undertakings are listed below. The Company directly owns 100% of their ordinary share capital.

Subsidiary	Registered address	Principal activities
Clinigen, Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808, USA	Sale of pharmaceutical products and services
Clinigen Healthcare B.V.	WTC Schiphol Airport, D Tower, 11th floor, Schiphol Boulevard 359, 1118 BJ Amsterdam Schiphol, Netherlands	Holding company
Clinigen Ireland Limited	Mayfield Business Park, Lismore, County Waterford, Republic of Ireland	Supply and distribution of pharmaceutical products and special medical preparations

5. Debtors

	2021 £	2020 £
Other debtors	1	1

6. Creditors: amounts due within one year

	2021 £	2020 £
Amounts owed to group undertakings	2,200,051	51

The amounts owed to group undertakings are non-interest bearing and payable on demand.

Notes to the financial statements (continued)

for the year ended 30 June 2021

7. Called up share capital

	2021	2020
	£	£
1 ordinary share of £1	1	1

The balance classified as equity share capital includes the total net proceeds (nominal value) on issue of the Company's equity share capital. The holder of the one ordinary share is entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. The share is not redeemable.

8. Capital commitments and contingent liabilities

The Company had no capital commitments or contingent liabilities as at 30 June 2021 (2020: none).

9. Ultimate parent undertaking and controlling party

The Company is a wholly owned subsidiary undertaking of Clinigen Holdings Limited. The Company's ultimate parent undertaking and controlling party is Clinigen Group plc, a company registered in England and Wales.

Clinigen Group plc is the parent undertaking of the smallest and largest group of which the Company is a member. The consolidated financial statements of this group may be obtained from Pitcairn House, Crown Square, Centrum 100, Burton-on-Trent, Staffordshire, DE14 2WW.

10. Post balance sheet events

On 8 December 2021, Clinigen announced an agreement on the terms of a recommended all-cash offer by Triley Bidco Limited (a company indirectly owned by Triton Investment Management Limited) for the entire issued and to be issued share capital of Clinigen. Under the terms of the original offer Clinigen Shareholders would have been entitled to receive 883 pence for each Clinigen share, to be effected by means of a Scheme of Arrangement.

On 17 January 2022 the terms of an increased and final recommended all-cash offer were announced at an increased value of 925 pence for each Clinigen share. On the 8 February 2022 at the Court Meeting and General Meeting shareholders voted in favour to approve the resolutions in connection to the increased and final all-cash acquisition of Clinigen by Triley Bidco Limited.

Completion of the Acquisition remains subject to the satisfaction or, where applicable, waiver of the remaining Conditions set out in the Scheme Document, the sanction of the Scheme by the Court at the Scheme Court Hearing and the delivery of a copy of the Court Order to the Registrar of Companies. It is anticipated the deal will close in accordance with the updated timetable published on 16 February 2022 with the effective date of the Scheme expected to be 4 April 2022.