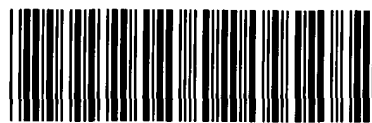


Registered number: NI 018037

SISK HEALTHCARE (UK) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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COMPANY INFORMATION

Directors
T Dolphin
S Taaffe (appointed 20 May 2022)
J Osborne (resigned 28 February 2022)
M Reid (resigned 20 May 2022)
G Rabbette (resigned 20 May 2022)

Company secretary A McCarthy

Registered number NI 018037

Registered office
6 Wildflower Way
Boucher Road
Belfast
United Kingdom
BT12 6TA

Independent auditors
PricewaterhouseCoopers
One Spencer Dock
North Wall Quay
Dublin 1
Ireland

Bankers
Ulster Bank Limited
11 - 16 Donegall Square East
Belfast
United Kingdom
BT1 5UB

Bank of Ireland
1 Donegall Square South
Belfast
United Kingdom
BT1 5LR

Solicitors
McCann Fitzgerald
Riverside One
Sir John Rogerson's Quay
Grand Canal Dock
Dublin 2
Ireland

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STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Introduction

The Directors present their strategic report for the year ended 31 December 2021.

Principal activities, review of the business and future developments

Sisk Healthcare (UK) Limited, 'the Company', is a Northern Ireland incorporated company which has operations and offices in both Northern Ireland and Great Britain. The principal activity of the Company is the supply and distribution of medical devices to the healthcare sector. It operates using the Cardiac Services trade name.

Cardiac Services is at the forefront of supplying and supporting diagnostic equipment. Overall it is the company's focus on providing a total solution for the efficient distribution, maintenance and comprehensive service support of premium medical equipment across a number of critical clinical areas.

In 2021, the company delivered a comparatively strong performance. The Company played a critical role during the Covid-19 pandemic ensuring the continuity in the supply of medical devices and related services to the healthcare sector. Revenue was down 6.3% year on year from £34.6m to £32.4m while cost of sales were down 13.0% from £22.4m to £19.5m. Gross profit of £12.9m was up £0.8m on 2020. The full year operating profit was up £1.6m from £4.7m to £6.3m. The increased operating profit was primarily driven by the increased gross profit combined with year on year foreign exchange gains associated with the Company's foreign denominated loan balances.

With the cessation of Covid-19 restrictions and the resumption of many elective procedures across the United Kingdom, the Company has relied upon its strong manufacturer relationships and established supply chain infrastructure to source & supply products within the Company's portfolio to meet catch-up customer demand. The nature of the product and services provided by the Company meant that there was a continued requirement for medical products during the pandemic. While there may have been a reduction in the demand for certain products, the requirement for these services and procedures resumed once the pandemic was brought under control.

On 26 October 2021, as a result of a cyber incident with a 3rd party external service provider, an IT outage was experienced by the Company, which lasted for approximately six weeks.

The 3rd party IT service provider was ISO 27001 certified, and procedures and protocols were immediately put in place to ensure risk assessments were completed, together with containment, governance and regulatory compliance. All servers impacted by the cyber incident were shut down and replaced, with the production data centre wiped and rebuilt.

As a result, the Company's IT systems were temporarily inaccessible and alternative manual controls were put in place to ensure continuity of service. Physical back up tapes were verified, and data was successfully restored to 16 October. Any lost data was then rebuilt from alternative company records.

A cross functional project team consisting of senior members of the operations, finance, IT and regulatory teams were established to address the operational issues, financial risks and to ensure regulatory compliance. In addition, the external auditors were kept fully informed of the incident. Temporary replacement operational controls were in place during the manual recording period, and additional preventative and detective controls were put in place to ensure the accurate recording of the financial information of the Company.

The threat of cyber crime is constantly evolving and the Company has taken the experience and learnings from this incident to further strengthen the teams knowledge in cyber prevention and response strategies.

The Board is satisfied with the performance of the Company for the year ended 31 December 2021. The Board feels that the underlying trading performances achieved by the company was generally positive. The Directors have no plans to alter the activities or operations of the Company.

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Results and dividends

The Company's profit for the financial year was £5.1m (2020: £3.8m). There were £13.1m dividends paid during the year (2020: £Nil). In February 2021, the Company declared and paid a dividend of £10.3m and in November 2021, the Company declared and paid a dividend of £2.7m.

Principal risks and uncertainties

Management and the Board regularly review risks facing the Company. The directors consider that the following are the principal risk factors that could materially and adversely affect the Company's future operating profits or financial position:

- The Company continues to monitor and respond appropriately to ongoing risks surrounding Covid-19 which may adversely affect the financial and/or operational results of the Company;
- Changes in healthcare spending policy in market sectors;
- Changes in distribution models with key suppliers;
- Brexit - The UK left the EU in 2020, which poses several risks for the Company due to uncertainty and complexities as to the future fiscal and regulatory landscape in the UK. This may have a negative impact on supply and trade. Brexit also has the potential to create market uncertainty and currency fluctuations which could have an impact on the Company;
- Failure to renew and replace existing contracts when they expire; and
- The threat of cyber crime and its potential disruption to the Company's IT systems and its business activities.

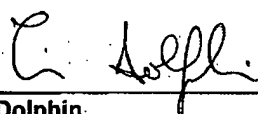
Financial risk management

The directors of Uniphar plc manage the group's operations on a divisional basis. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of Uniphar plc Group, which includes the Company, are discussed in the group's annual report, which does not form part of this report.

Directors' statement of compliance with duty to promote the success of the Company

The board of directors consider, both individually and together, that they have acted in the way they consider, in good faith, to promote the success of the Company for the benefit of its members as a whole in the decisions taken during the year ended 31 December 2021.

By Order of the Board.



T Dolphin
Director

Date: 15 November 2022

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present their annual report and the audited financial statements of the Company for the year ended 31 December 2021.

Statement of directors' responsibilities

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

Company law requires the Directors to prepare financial statements of the Company for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements of the Company, 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 applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements of the Company 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 to enable them to ensure that the financial statements of the Company 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.

Results and dividends

Details of the principal activities, the review of the business and future developments, results and dividends paid during the year are all set out in the Strategic Report.

Going concern

The directors have adopted the going concern basis in preparing the financial statements. Further details are set out in note 3.2 to the financial statements.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Principal risks and uncertainties

The Company's operations expose it to various financial risks. The Company has a risk management programme in place which seeks to limit the impact of these risks on the financial performance of the Company.

The policies to which the Company operates are ultimately set by the Board of Directors and are implemented by the finance function.

Credit risk

Credit risk arises from credit given to customers, as well as cash and cash equivalents including deposits with banks and financial institutions. The Company manages risk through the use of credit terms and credit checks for customers, regular review of our customer ageing profile and bank credit ratings. The Company also has credit insurance with several large customers being insured.

Foreign exchange risk

The Company has relatively low levels of transactional foreign exchange exposure in the normal course of business. The Company does not use derivative financial instruments to manage the related foreign exchange risks and as such no hedge accounting is applied.

Liquidity risk

The Company has both interest bearing assets and interest bearing liabilities as well as funding from its parent company to ensure the Company has sufficient funds for its operations.

Interest rate and cash flow risks

Cash balances are the only interest bearing assets which earn interest at a fixed rate. The Company does not use derivative financial instruments to manage interest costs and as such, no hedge accounting is applied.

Directors

The directors who served during the year ended 31 December 2021 and up to the date of approval of these financial statements are set out below:

T Dolphin

S Taaffe (appointed on 20 May 2022)

J Osborne (resigned 28 February 2022)

M Reid (resigned 20 May 2022)

G Rabbette (resigned 20 May 2022)

Health and safety

The safety and health of not only our own employees but also of others impacted by our activities is of paramount importance to the Company, the management team of our business and our shareholders. The Company monitor and report on its performance on a monthly basis. A safety statement has been prepared containing its safety policies, and is in compliance with the requirements of the Workplace (Health, Safety and Welfare) Regulations 1992.

Protecting the environment

The Company is committed to protecting the environment in everything that it does, and ensuring we minimise the impact of our operations on the planet. We acknowledge that climate change is one of the greatest challenges we face, both as a business and a society. We recognise that as a major player in the markets we operate in, that we have a key part to play in reducing our direct carbon footprint, by focusing on the long term sustainability of the services we provide, and seeking to positively influence for change the relationships with our clients, customers and the communities in which we work.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Disclosure of information to auditors

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

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

Subsequent events

The Company is monitoring the evolving situation in Ukraine and notes that there has not been a material impact on the business thus far.

There have been no other significant events since the Balance Sheet date that the directors believe require adjustment to, or disclosure in the financial statements.

Research and development

The Company has not undertaken any research and development during the year nor does it intend to in the foreseeable future.

Employment policies

We believe it is essential for our colleagues to have a voice. Listening and connecting with colleagues enables us to understand what matters. We use a variety of communication channels to regularly engage, consult, inform and connect with our people so that the views of our colleagues can be taken into account when key decisions are made that affect them. Our values underpin our development of fair and inclusive policies and encourage advocacy, engagement and loyalty.

We are committed to improving the skills, knowledge and well-being of our colleagues. Our selection, training, development and promotion policies ensure equal opportunities for all colleagues regardless of factors such as gender, marital status, race, age, sexual preference and orientation, colour, creed, ethnic origin, religion or belief, disability or trade union affiliation. All decisions are based on merit.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

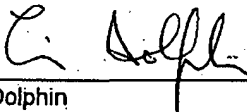
Political donations and political expenditure

The Company has not made any donations to a registered political party, other political organisation in the EU (including the UK) or any independent election candidate, or incurred EU political expenditure exceeding £2,000 in the financial year.

Independent auditors

The auditors, PricewaterhouseCoopers, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



T Dolphin
Director

Date: 15 November 2022



Independent auditors' report to the members of Sisk Healthcare (UK) Limited

Report on the audit of the financial statements

Opinion

In our opinion, Sisk Healthcare (UK)'s financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law) and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise:

- the Balance Sheet as at 31 December 2021;
- the Profit & Loss Account and Statement of comprehensive income for the year then ended;
- the Statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge



obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

In preparing the financial statements, the directors are responsible for assessing the 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.

Auditors' responsibilities for the audit of the financial statements

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

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the operations of Sisk Healthcare (UK) Limited and we considered the extent to which non-compliance might have a material effect on the financial statements.

We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and corporate tax laws. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.



Audit procedures performed included:

- discussions with management, in respect of risk of fraud and any known or suspected instances of noncompliance with laws and regulation and fraud and reviewing Board Minutes;
- confirmation with those charged with governance in respect of risk of fraud and any known or suspected instances of non-compliance with laws and regulations;
- consideration of the overall control environment and the processes and controls in place in the company, including procedures to achieve compliance with relevant laws and regulations;
- testing of journal entries posted throughout the period and at period end;
- evaluating management's judgements for appropriateness and indicators of bias based on our knowledge and understanding of the business and the requirements of the reporting framework, the evidence obtained from our detailed audit procedures and assessing events occurring up to the date of the auditor's report; and
- testing the corporation tax charge for the year.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Damian Byrne (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Auditors
Dublin
Ireland
16 November 2022

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £000	2020 £000
Turnover	5	32,383	34,572
Cost of sales		(19,513)	(22,435)
Gross profit		12,870	12,137
Net operating expenses		(6,546)	(7,416)
Operating profit	6	6,324	4,721
Finance cost	10	(50)	(65)
Profit before taxation		6,274	4,656
Tax on profit	11	(1,211)	(835)
Profit for the financial year		5,063	3,821

The notes on pages 14 to 37 form part of these financial statements.

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £000	2020 £000
Profit for the financial year		5,063	3,821
Other comprehensive income		-	-
Total comprehensive income for the financial year		5,063	3,821

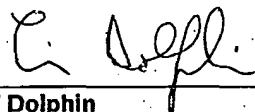
The notes on pages 14 to 37 form part of these financial statements.

REGISTERED NUMBER: NI 018037

**BALANCE SHEET
AS AT 31 DECEMBER 2021**

	Note	2021 £000	2020 £000
Non-current assets			
Intangible assets	13	649	627
Property, plant and equipment	14	1,179	1,437
		<u>1,828</u>	<u>2,064</u>
Current assets			
Inventory	15	2,303	2,265
Debtors: amounts falling due within one year	16	24,267	31,967
Cash and cash equivalents	17	834	362
		<u>27,404</u>	<u>34,594</u>
Creditors (amounts falling due within one year)	18	(20,270)	(19,571)
Net current assets		<u>7,134</u>	<u>15,023</u>
Total assets less current liabilities		<u>8,962</u>	<u>17,087</u>
Creditors (amounts falling due after more than one year)	19	(671)	(811)
Provisions for liabilities and charges	22	(64)	(45)
Net assets		<u><u>8,227</u></u>	<u><u>16,231</u></u>
Capital and reserves			
Called up share capital	24	50	50
Capital redemption reserve	25	400	400
Profit and loss account	25	7,777	15,781
		<u><u>8,227</u></u>	<u><u>16,231</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


T Dolphin
Director

Date: 15 November 2022

The notes on pages 14 to 37 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2021	50	400	15,781	16,231
Comprehensive income for the year				
Profit for the year	-	-	5,063	5,063
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	5,063	5,063
Dividends	-	-	(13,067)	(13,067)
Total transactions with owners	-	-	(13,067)	(13,067)
At 31 December 2021	50	400	7,777	8,227

The notes on pages 14 to 37 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2020	50	400	11,960	12,410
Comprehensive income for the year				
Profit for the year	-	-	3,821	3,821
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	3,821	3,821
Total transactions with owners	-	-	-	-
At 31 December 2020	50	400	15,781	16,231

The notes on pages 14 to 37 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. General information

Sisk Healthcare (UK) Limited ('the Company') is a limited company involved in the distribution of medical devices for various suppliers to the healthcare sector. The Company operates using the Cardiac Services trade name.

The Company's immediate parent company is Sisk Healthcare Holdings (UK) Limited. The company's ultimate parent company is Uniphar plc, a company incorporated in Ireland. Uniphar plc is the largest group of undertakings for which group financial statements are drawn up and of which the Company is a member.

The Company is incorporated and domiciled in Northern Ireland with company registration number NI 018037. The address of its registered office is 6 Wildflower Way, Boucher Road, Belfast, United Kingdom, BT12 6TA.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The financial statements are presented in GBP, which is the functional currency of the company, rounded to the nearest thousand.

2. Basis of preparation

The financial statements have been prepared in accordance with UK GAAP (accounting standards issued by the Financial Reporting Council of the UK and the Companies Act 2006). The financial statements comply with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101), and the Companies Act 2006.

The financial statements have been prepared under the historical cost convention.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

3. Summary of significant accounting policies

3.1 Financial reporting standard 101 - reduced disclosure exemptions

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

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

New Standards, Amendments and Interpretations

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2021:

- Interest Rate Benchmark Reform - Phase 2
- 'Leases' – Covid-19 related rent concessions – amendment to IFRS16

These amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New standards and interpretations not yet adopted.

The following accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Company:

- IFRS 17 Insurance Contracts;
- Reference to the Conceptual Framework – amendments to IFRS 3;
- Property, plant and equipment: Proceeds before intended use - amendments to IAS 16;
- Onerous Contracts – Cost of Fulfilling a Contract - amendments to IAS 37;
- Annual improvements to IFRS standards 2018-2020;
- Classification of Liabilities as Current or Non-current – amendments to IAS 1;
- Disclosure of Accounting Policies – amendments to IAS 1 and IFRS Practice Statement 2;
- Definition of Accounting Estimates – amendments to IAS 8;
- Deferred tax related to assets and liabilities arising from a single - amendments to IAS 12; and
- Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28.

These standards are not expected to have a material impact in the current or future reporting periods and on foreseeable future transactions.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

3. Summary of significant accounting policies (continued)

3.2 Going concern

The Directors have made appropriate enquiries and carried out a review of the Company's forecasts, projections and available banking facilities, taking account of possible changes in trading performance and considering business risk.

The Company plays an essential role in the healthcare sector in ensuring continuity in the supply and distribution of much needed medical devices and related services.

The Company has a robust capital structure with strong liquidity at the end of December 2021, and is strengthened into the future by a new Uniphar Group five year banking facility which was signed post year-end and which includes two one-year extension options. This continues to provide a solid platform for the Company to deal with the any potential business disruptions. The nature of the product and services provided by the Company means that there is a continued requirement for medical products.

Having regard to the factors noted above, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being a period of 12 months from the date of approval of these financial statements. As a result, the Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

3.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated to Pounds Sterling using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss account.

All foreign exchange gains and losses are presented in the Profit and Loss Account within 'net operating expenses'.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

3. Summary of significant accounting policies (continued)

3.4 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the company and value added taxes.

The company bases its estimate of returns, discounts and rebates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Sale of goods

Turnover from the sale of goods is recognised on despatch to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Despatch occurs when the goods have been shipped from the Company's premises to the location specified by the customer, the risks of obsolescence or loss have been transferred to the customer, the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed or the company has objective evidence that all criteria for acceptance have been satisfied. Where sales are on a consignment basis, turnover is not recognised until a sale has been made to a third party.

Sales are normally made with a credit term of 30 days. The element of financing is deemed immaterial and is disregarded in the measurement of revenue.

Rendering of services

Turnover from service contracts is recognised in the financial year in which the services are rendered and when the outcome of the contract can be estimated reliably. The company uses a time based method on the actual service performed as a percentage of the total services to be provided.

Deferred revenue includes service revenue billed in advance of the revenue being recognised.

3.5 Cost of Sales

The cost of sales attributable to the supply of goods includes all costs of purchase of inventory and other costs incurred net of value added taxes in bringing inventories for resale to their present location and condition. When inventories are sold, the carrying amount of those inventories is recognised as an expense in the year in which the related revenue is recognised.

The cost of sales attributable to the supply of services includes all direct costs attributable to the provision of resourcing and outsourcing services net of value added taxes. The cost of service is recognised as an expense in the year in which the related revenue is recognised.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

3. Summary of significant accounting policies (continued)

3.6 Employee benefits

Short term employee benefits

Short term employee benefits, including paid holiday arrangements and other similar non-monetary benefits, are recognised as an expense in the financial year in which employees render the related service. The company operates an annual bonus and long term incentive plan for employees. An expense is recognised in the profit and loss account when the company has a present legal or constructive obligation to make payments under the plans as a result of past events and a reliable estimate of the obligation can be made.

Post-employment benefits

The Company operates a number of defined contribution plans for certain employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further contributions or to make direct benefit payments to employees if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The assets of the plan are held separately from the company in independently administered funds. The contributions to the defined contribution plan are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

3. Summary of significant accounting policies (continued)

3.7 Income tax

Income tax expense for the financial year comprises current and deferred tax recognised in the financial year. Income tax expense is presented in the same component of total comprehensive income (profit and loss account or other comprehensive income) or equity as the transaction or other event that resulted in the income tax expense.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the financial year or past financial years. Current tax is measured at the amount of current tax that is expected to be paid using tax rates and laws that have been enacted or substantively enacted by the end of the financial year.

The directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. A current tax liability is recognised where appropriate and measured on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred Tax

Deferred tax is recognised in respect of timing differences, which are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in financial years different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the end of each financial year with certain exceptions. Unrelieved tax losses and other deferred tax assets are recognised only when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the end of each financial year and that are expected to apply to the reversal of the timing difference.

3.8 Goodwill

Goodwill on the acquisition of a trade and assets of a company is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

3. Summary of significant accounting policies (continued)

3.9 Intangible assets

Computer software is carried at cost less accumulated amortisation and accumulated impairment losses. Software is amortised over its estimated useful life, of between three and five years. Software is not considered to have a residual value.

Where factors, such as technological advancement or changes in market prices, indicate that the software's useful life has changed, the useful life is amended prospectively to reflect the new circumstances.

3.10 Property, plant and equipment

Property, plant and equipment are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working location and condition for its intended use, dismantling and restoration costs and borrowing costs capitalised.

All assets are stated at cost less accumulated depreciation and accumulated impairment losses.

(i) Depreciation and residual values

The estimated useful lives of property, plant and equipment by reference to which depreciation has been calculated, are as follows:

Buildings	- 10 years
Leasehold improvements	- 10 years
Office equipment	- 3-10 years
Service equipment	- 4 years
Fixtures and fittings	- 5-10 years
Motor vehicles	- 4-5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the previous reporting.

Repairs, maintenance and minor inspection costs are expensed as incurred.

(ii) Derecognition

Property, plant and equipment are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the profit and loss account.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

3. Summary of significant accounting policies (continued)

3.11 Inventory

Inventory is stated at the lower of cost and net realisable value. Inventory is recognised as an expense in the financial year in which the related revenue is recognised.

Cost is based on the first in, first out (FIFO) basis. Cost comprises the purchase price, including taxes and duties and transport and handling directly attributable to bringing the inventory to its present location and condition. Net realisable value comprises selling price net of trade but before settlement discounts, less all costs to be incurred in marketing, selling and distribution.

At the end of each financial year, inventory is assessed for impairment. If an item of inventory is impaired, the identified inventory is measured at its selling price less costs to complete and sell and the resulting impairment loss is recognised in profit or loss. Where a reversal of the impairment loss is recognised, the impairment loss is reversed, up to the original impairment loss, and is recognised in the profit or loss.

3.12 Trade receivables

Trade receivables are recognised initially at fair value which is usually the original invoiced amount and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

3.13 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities. Cash and cash equivalents are initially measured at transaction price and subsequently measured at amortised cost.

Bank deposits which have original maturities of more than three months are not cash and cash equivalents and are presented as current asset investments.

3.14 Trade and other payables

Trade and other payables are initially recorded at fair value, which is usually the original invoiced amount and are subsequently carried at amortised cost using the effective interest rate method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

3. Summary of significant accounting policies (continued)

3.15 Leases

The Company leases various properties, equipment and motor vehicles. Rental contracts are typically made for fixed periods of 1 to 10 years but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Profit and Loss Account over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the right-of-use assets useful life on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Company's incremental borrowing rate which is calculated using a portfolio approach, based on the nature of the lease.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Extension and termination options are included in property, equipment and motor vehicle leases in the Company. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.

Payments associated with leases of low-value assets are recognised on a straight-line basis as an expense in the Profit and Loss Account. Low-value assets comprise of computer equipment and small items of office furniture.

3.16 Share capital presented as equity

Ordinary shares are classified as equity. Proceeds from the issue of ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are recognised directly in retained earnings within equity, net of any tax effects.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

3. Summary of significant accounting policies (continued)

3.17 Distributions to equity holders

Dividends and other distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the Company's shareholders. These amounts are recognised in the statement of changes in equity.

3.18 Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the expected credit loss calculations, based on the company's past history, existing market conditions and forward looking estimates at the end of each reporting period. For loans and balances with Group companies, the general approach permitted by IFRS 9 is applied, which requires 12 month expected credit losses to be recognised on initial recognition of these receivables.

If a significant increase in credit risk occurs, this requires expected lifetime credit losses to be recognised on these receivables. The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a life time expected loss allowance for all trade and other receivables.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, there is no impairment loss identified.

3.19 Amounts payable to and receivable from group companies

Intercompany debtors and creditors, including loans, are non-derivative financial assets and liabilities which are not quoted in an active market. Those with maturities less than twelve months after the Balance Sheet date are included in current assets and current liabilities respectively. Those with maturities greater than twelve months after the Balance Sheet date are included in non-current assets or liabilities, as appropriate. The balances are initially recorded at fair value and thereafter at amortised cost.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

4. Significant estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

(i) Useful economic lives of property, plant and equipment

The annual depreciation charge for property, plant and equipment, along with their useful economic lives and residual values are reviewed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 14 for the carrying amount of the property plant and equipment, and note 3 for the useful economic lives for each class of assets.

(ii) Impairment of goodwill

Goodwill on the acquisition of the trade and assets of a company is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

(iii) Impairment of inventory

The company supplies and distributes medical devices to the healthcare sector.

When calculating the inventory provision, management considers the expiry date, nature and condition of the inventory, as well as applying assumptions around anticipated saleability of finished goods. See note 15 for the net carrying amount of the inventory and associated provision.

(iii) IFRS 16 "Leases"

IFRS 16 "Leases" required management judgement in the selection of the appropriate discount rates to be used in the discounting of the expected future payments to present value. The discount rate applied is the interest rate implicit in the lease, if that rate can be determined, or the Company's incremental borrowing rate which is calculated using a portfolio approach, based on the nature of the lease.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

5. Turnover

Analysis of turnover by category:

	2021 £000	2020 £000
Sale of goods	27,585	30,039
Rendering of services	4,798	4,533
	<u>32,383</u>	<u>34,572</u>

Analysis of turnover by geography:

	2021 £000	2020 £000
United Kingdom	32,157	34,179
Republic of Ireland	197	340
Rest of the world	29	53
	<u>32,383</u>	<u>34,572</u>

6. Operating Profit

The operating profit is stated after charging/(crediting):

	2021 £000	2020 £000
Amortisation of intangible assets (note 13)	1	2
Depreciation (note 14)	191	174
Right of use assets - depreciation (note 14)	311	329
Exchange (gains)/losses	(435)	266
(Reversal of impairment)/impairment of trade debtors	(42)	3
Impairment of inventory (included within cost of sales)	160	383
Cost of stocks recognised as an expense	<u>18,678</u>	<u>21,553</u>

7. Auditors' remuneration

Auditors' remuneration is borne by the ultimate parent company, Uniphar plc.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. Employees

Staff costs, including director's remuneration, were as follows:

	2021 £000	2020 £000
Wages and salaries	3,433	3,430
Social insurance costs	403	416
Defined contribution benefit costs	108	112
	<u>3,944</u>	<u>3,958</u>

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

	2021 No.	2020 No.
Management and administration	21	21
Selling and distribution	36	36
	<u>57</u>	<u>57</u>

Capitalised employee costs during the year amounted to £NIL (2020 - £NIL).

All staff costs above have been treated as an expense in the profit and loss account.

9. Director's remuneration

All the emoluments below relate to one director, as the other directors are paid by another group company.

	2021 £000	2020 £000
Emoluments	809	270
Retirement contribution scheme	-	-
	<u>809</u>	<u>270</u>

Retirement benefits are accruing to 1 Director (2020: 1 Director) under a defined contribution scheme.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

10. Finance costs

	2021 £000	2020 £000
Bank charges	13	16
Financing charge on lease liabilities	37	49
	<u>50</u>	<u>65</u>

11. Taxation

	2021 £000	2020 £000
Corporation tax		
Current tax on profits for the year	1,190	870
Adjustments in respect of previous periods	21	(1)
	<u>1,211</u>	<u>869</u>
Total current tax	<u>1,211</u>	<u>869</u>
Origination and reversal of timing differences	-	(34)
Total deferred tax	<u>-</u>	<u>(34)</u>
Taxation on profit on ordinary activities	<u>1,211</u>	<u>835</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax for the financial year ended 31 December 2021 of 19% (2020 - 19 %). The differences are explained below:

	2021 £000	2020 £000
Profit on ordinary activities before tax	6,274	4,656
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19 %)	1,192	885
Effects of:		
Expenses not deductible for tax purposes	135	11
Capital allowances for year in excess of depreciation	-	(58)
Adjustments to tax charge in respect of prior periods	21	(1)
Group relief payment for losses	(137)	-
Other differences	-	(2)
Total tax charge for the year	1,211	835

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

12. Dividends

	2021 £000	2020 £000
Dividends paid of £26.13 (2020: £Nil) per £1 ordinary share	13,067	-
	13,067	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

13. Intangible assets

	Software £000	Goodwill £000	Total £000
Cost			
At 1 January 2021	8	1,951	1,959
Additions - external	23	-	23
At 31 December 2021	<u>31</u>	<u>1,951</u>	<u>1,982</u>
Amortisation			
At 1 January 2021	7	1,325	1,332
Charge for the year	1	-	1
At 31 December 2021	<u>8</u>	<u>1,325</u>	<u>1,333</u>
Net book value			
At 31 December 2021	<u>23</u>	<u>626</u>	<u>649</u>
At 31 December 2020	<u>1</u>	<u>626</u>	<u>627</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. Property Plant & Equipment

	Leasehold improvements £000	Office equipment £000	Service Equipment £000	Fixtures and fittings £000	Buildings £000	Motor vehicles £000	Total £000
Cost or valuation							
At 1 January 2021	422	170	617	93	1,111	382	2,795
Additions	27	8	16	-	-	204	255
Disposals	(12)	(24)	(64)	-	-	(115)	(215)
At 31 December 2021	437	154	569	93	1,111	471	2,835
Depreciation							
At 1 January 2021	253	116	487	59	255	188	1,358
Charge for the year on owned assets	50	30	101	10	-	-	191
Charge for the year on right-of-use assets	-	-	-	-	164	147	311
Disposals	(8)	(21)	(64)	-	-	(111)	(204)
At 31 December 2021	295	125	524	69	419	224	1,656
Net book value							
At 31 December 2021	142	29	45	24	692	247	1,179
At 31 December 2020	169	54	130	34	856	194	1,437

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. Property Plant & Equipment (continued)

The net book value of owned and leased assets included as "Property, plant and equipment" in the Balance Sheet is as follows:

	2021 £000	2020 £000
Property, plant and equipment	240	387
Right-of-use tangible fixed assets	939	1,050
	<u>1,179</u>	<u>1,437</u>

Information about right-of-use assets is summarised below:

Net book value

	2021 £000	2020 £000
Buildings	692	856
Motor vehicles	247	194
	<u>939</u>	<u>1,050</u>

Right-of-use depreciation charge by asset class

	2021 £000	2020 £000
Buildings	164	164
Motor vehicles	147	165
	<u>311</u>	<u>329</u>

Additions to right-of-use assets

	2021 £000	2020 £000
Additions to right-of-use assets	204	865
	<u>204</u>	<u>865</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

15. Inventory

	2021	2020
	£000	£000
Finished goods and goods for resale	2,303	2,265
	<u>2,303</u>	<u>2,265</u>

There is no material difference between the carrying value of closing inventory and its replacement cost. Inventory is stated after provision for impairment of £1,246,580 (2020: £1,153,745).

16. Trade and other receivables

	2021	2020
	£000	£000
Trade receivables	4,256	1,713
Amounts owed by group undertakings	15,761	27,573
Amounts owed by parent	3,427	1,900
Prepayments	226	370
Corporation tax	560	405
VAT	31	-
Deferred taxation	6	6
	<u>24,267</u>	<u>31,967</u>

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

Trade receivables are stated after provision of £70,424 (2020: £128,290).

17. Cash and cash equivalents

	2021	2020
	£000	£000
Cash and cash equivalents	834	362
	<u>834</u>	<u>362</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

18. Creditors: Amounts falling due within one year

	2021 £000	2020 £000
Lease obligations	295	295
Trade payables	1,545	1,131
Accruals	1,236	2,149
Deferred income	1,602	1,616
Amounts owed to group undertakings	14,707	13,437
Amounts owed to parent	801	-
Other taxation and social security	84	943
	<u>20,270</u>	<u>19,571</u>

Trade and other payables are payable at various dates in the three months after the end of the financial year in accordance with the creditors usual and customary credit terms.

Tax and social security costs are payable in the timeframe set down in the relevant legislation.

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

	2021 £000	2020 £000
Other taxation and social security		
PAYE/NI	84	71
VAT	-	872
	<u>84</u>	<u>943</u>

19. Creditors: Amounts falling due after more than one year

	2021 £000	2020 £000
Lease liabilities	671	811
	<u>671</u>	<u>811</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

20. Leases

Company as a lessee

Right of use assets are included in the line 'Property, Plant and Equipment' on the Balance sheet and are presented on note 14.

Lease liabilities are due as follows:

	2021 £000	2020 £000
Current	295	295
Non-current	671	811
	<u>966</u>	<u>1,106</u>

Lease liabilities are presented separately on the face of the Balance Sheet.

Amounts recognised in the Profit and Loss Account:

The Profit and Loss Account shows the following amounts relating to leases:

Depreciation charge of right-of-use assets:

	2021 £000	2020 £000
Buildings	164	164
Motor vehicles	147	165
	<u>311</u>	<u>329</u>
Interest on lease obligations (note 10)	<u>37</u>	<u>49</u>

21. Deferred tax

	2021 £000
Deferred tax (liability)/asset	
At beginning of year	6
Charged to profit or loss	-
At end of year	<u>6</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

21. Deferred tax (continued)

The deferred taxation balance is made up as follows:

	2021 £000	2020 £000
Capital allowances in excess of depreciation	6	6
	<u>6</u>	<u>6</u>

There are no unrecognised tax losses or unutilised tax credits.

22. Provisions for liabilities

The warranty provision relates to a product warranty provided to customers on certain medical devices. The estimated cost of the warranty is provided upon recognition of the sale of the product. The costs are estimated based on actual historical experience of expenses incurred and on estimated future expenses to current sales and are updated periodically. Actual warranty costs are charged against the provision warranty. This warranty is for expected warranty claims on products sold during the past three financial years. It is expected that all of the expenditure provided for will be incurred within three years of the balance sheet date.

	2021 £000
At 1 January 2020	
At 1 January 2020	38
Amounts provided	7
At 31 December 2020	<u>45</u>
At 1 January 2021	45
Amounts provided	19
At 31 December 2021	<u><u>64</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

23. Post-employment benefits

The company operates a defined contribution scheme for directors and staff respectively. The assets of the scheme are held separately from those of the company.

Contributions to the scheme are charged against profits in the period in which they are payable to the scheme.

	2021 £000	2020 £000
The pension charge for the year was	108	112
	<u>108</u>	<u>112</u>

24. Share capital

	2021 £000	2020 £000
Authorised		
500,000 (2020 - 500,000) Ordinary shares of £1 each shares of £1.00 each	500	500
Allotted, called up and fully paid		
50,000 (2020 - 50,000) Ordinary shares of £1 each shares of £1.00 each	50	50

There is a single class of equity shares. There are no restrictions on the distribution of dividends and the repayment of capital. All shares carry equal voting rights and rank for dividends to the extent to which the total amount on each share is paid up.

A description of each reserve within equity is outlined in note 25.

25. Reserves

Capital redemption reserve

This non-distributable reserve of £400,000 arose following the redemption of the company's own shares as part of a group wide reorganisation.

Profit and loss account

Profit and loss account represents accumulated comprehensive income for the financial year and prior financial years, less dividends paid.

26. Related party transactions

All related parties and related party transactions are disclosed in the consolidated financial statements of Uniphar plc. Copies of Uniphar plc consolidated financial statements can be obtained from the company secretary of Uniphar plc at 4045 Kingswood Road, Citywest Business Park, Co. Dublin, Ireland.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

27. Post balance sheet events

The Company is monitoring the evolving situation in Ukraine and notes that there has not been a material impact on the business thus far.

There have been no other significant events since the Balance Sheet date that the directors believe require adjustment to, or disclosure in the financial statements.

28. Approval of financial statements

The board of directors approved these financial statements for issue on 15 November 2022.