

Seqirus Vaccines Limited

Annual report and financial statements

30 June 2021

Registered number 3970089



Seqirus Vaccines Limited

Report for the year ended 30 June 2021

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Seqirus Vaccines Limited

Directors and advisors

Directors

Stephen Michael Marlow
Nigel Charles Hilton
James Edward Smith
Vasilios Mavrogenis (Appointed 10 September 2020)
Kian Meng Lim (Resigned 9 September 2020)

Company secretary

Virginie Didier
Hannah Holland-Wright (Appointed 10 September 2020)
Martin Thomas Quinn (Resigned 2 July 2021)

Registered office

Point
29 Market Street
Maidenhead
Berkshire
SL6 8AA

Independent auditors

Ernst and Young LLP
24 Marina Court
Castle Street
Hull
HU1 1TJ

Seqirus Vaccines Limited

Strategic report

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

These financial statements cover the year to 30 June 2021, with the comparatives for the year ended 30 June 2020.

Business model and principal activities

The principal activity of the company is the manufacture and sale of influenza vaccines which are sold to another group entity. The influenza vaccines that the company manufactures are formulated and filled at third party companies. To reduce the Seqirus Group's reliance on third parties the Company has invested in its own formulation and fill capacity at its Liverpool site and this was operational in June 2021.

Review of the business

The company's main business is the manufacture and supply of quadrivalent influenza vaccines. The Company made a profit of £6.6m in the year ended 30 June 2021 (2020: £7.9m). The reduction in profit is driven by the enactment during the period of an increase to the UK corporate tax rate to 25% from 1 April 2023 applied to the deferred tax balances at the balance sheet date. The company made a profit before tax of £11.8m in the year (2020: £11.3m). Further detail of the Company's performance is included in the KPI section below.

The Seqirus Group continues to monitor the Covid-19 situation as it evolves. The Covid-19 pandemic was announced by the WHO in March 2020 and the UK Government placed strict measures in place to manage the impact in the UK effective from 23 March 2020. These measures have continued throughout FY21, of varying rigor, and the Seqirus Group has continued to adhere to all government restrictions as they have developed. There has been no material impact on FY21 trading performance as a result of the Covid-19 pandemic restrictions on movement, social distancing measures, supply chain availability or available manufacturing capacity.

Results and dividends

The profit for the year was £6.6m (2020: £7.9m). The board did not recommend or pay any dividend (2020: £nil).

Position at year end

The Company has net assets at 30 June 2021 of £244.1m (2020: £237.3m).

Research and development

The Company performs research and development with a view to driving manufacturing optimisation and process improvements. Work undertaken ultimately seeks to increase yields and vaccine potency.

Seqirus Vaccines Limited

Strategic report (continued)

Key performance indicators (KPIs)

The Company's key performance indicators in the year were:

	2021 £m	2020 £m	Change %
Revenue	122.1	117.6	+4%
Operating Profit	11.1	11.6	-4%
Current assets as a % of current liabilities	429%	267%	+61%

Revenue has increased in the year due to additional demand from existing contracts. We expect the increased demand to continue.

Gross profit is not considered a key performance indicator. The reason for this is that sales are made to intragroup entities and the intragroup transfer price is determined based on a mark-up on the total of both direct and indirect operating costs. As a result, the operating profit is considered a key performance indicator. While operating profit has decreased by £0.5m, the operating margin remains steady at 9.1% (2020: 9.8%). The small reduction in the operating profit margin is partially driven by a sale of £1.0m of components, such as vials and syringes, at cost price to the DHSC to support the COVID pandemic.

The quick ratio (current assets as a % of current liabilities) has increased to 429% (2020: 267%), further increasing the overall health of the balance sheet. This increase is a result of the current year repayment of amounts due to related parties, reducing current liabilities by £31.3m. An increase in Cash and cash equivalents to £9.2m (2020: £1.2m), also contributes to the increased ratio.

Principal risk and uncertainties

The key business risks affecting the Company, other than those set out in the review of the business in this report, are set out below.

Competitive risks

The Company does not have a specific competitive risk due to its role as a limited risk manufacturer within the wider Seqirus Group. The group however is reliant on several fixed term contracts with US distributors within the core US market for the sale of flu vaccines, which if lost could indirectly impact the Company. These contracts are subject to periodic renewal that is uncertain and based on financial and performance criteria.

Legislative risks

The Company's manufacturing processes must comply with the legislation and standards of the UK Regulator, the Medicines and Healthcare Regulatory Agency (MHRA), and the US regulator, the Federal Drugs Agency (FDA). The legislation and standards are subject to continuous revision.

Financial instrument risks

The Company is a member of a group which has established a risk and financial management framework whose primary objectives are to protect the group from the events that hinder the group performance objective. The objectives aim to limit undue counterparty exposure, ensure sufficient working capital exists and monitor the management of risk at business unit level.

Seqirus Vaccines Limited

Strategic report (continued)

Economic Risks - Brexit

As a company incorporated and operating in the UK, there is an element of risk surrounding the nation's formal decision to leave the European Union in January 2021. The Seqirus Group had undertaken a full risk assessment on the basis of a Hard Brexit, and the resulting business processes designed to ensure that product can continue to be manufactured, tested and released compliantly have been adopted. The Seqirus Group continues to monitor the Brexit landscape as it evolves to ensure these processes remain relevant and effective.

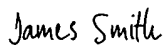
Economic Risks – Covid 19

There is an element of uncertainty due to the impacts of the Covid-19 pandemic. The Seqirus Group continues to monitor the Covid-19 situation as it evolves. All the necessary steps are being taken to protect the ongoing supply of product, and our people. Further information is given in the Directors' Report.

Directors and senior managers

At 30 June 2021 the Company had 4 directors (2020: 4 directors).

On behalf of the board

DocuSigned by:

A4465376B4BD469...

James Edward Smith
Director

Date: March 22, 2022

Seqirus Vaccines Limited

Directors' report

The directors present their report and the audited financial statements of the company for the year ended 30 June 2021. These financial statements are prepared under United Kingdom Generally Accepted Accounting Practice, specifically Financial Reporting Standard 101 "Reduced Disclosure Framework".

Domicile, form and country of incorporation

The Company was incorporated in and has its domicile in England and is a Limited Company. The immediate parent is Seqirus Vaccines Holdings Limited and the ultimate parent is CSL Limited, a company incorporated in Australia.

Directors

The directors of the Company during the year ended 30 June 2021 are fully disclosed within Directors and advisors on Page 2.

Two of the directors received remuneration for their services as a director of the Company during the year to 30 June 2021 (2020: one). This is disclosed in note 7.

Company secretary

The Company secretaries during the year to 30 June 2021 are fully disclosed within Directors and advisors on Page 2.

Charitable and political donations

It is the Company's policy not to make donations to any political organisations. No contributions were made to national or local charitable organisations (2020: £nil).

Subsequent Event

In February 2022, a number of countries (including the US, UK and EU) imposed new sanctions against certain entities and individuals in Russia as a result of the official recognition of the Donetsk People Republic and Lugansk People Republic by the Russian Federation. Announcements of further additional sanctions have been made following military operations initiated on 24 February 2022. These events and the consequential impact on global economies and markets are considered to be a non-adjusting subsequent event. The company does not trade with Russia or Ukraine, and there has been no material impact on operations to date as a result of these events.

Section 172 (1) Statement

The Directors of the Company must act in accordance with a set of general duties. These duties are detailed in section 172 of the UK Companies Act 2006 which is summarised as follows:

'A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefits of its shareholders as a whole and, in doing so have regard (amongst other matters) to:

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

Seqirus Vaccines Limited

Directors' report (continued)

In the following statement each of the subsections will be considered and how the Directors have acted, during the year, in accordance with them.

a) the likely consequences of any decisions in the long term	All decisions that the Directors make on behalf of the Company are in line with the long-term strategic plan of the Seqirus Group. All likely consequences and potential impacts on the business are considered.
b) the interests of the Company's employees	The Directors believe in listening to employees and actively engaging with them to gain a better understanding of their interests and concerns. To do so regular employee engagement surveys are sought to receive feedback as well as regular communication strategies applied, including town halls at a local site level and at a business wide level with the Seqirus Leadership Team.
c) the need to foster the company's business relationships with suppliers, customers and other	Given that Seqirus operates in the pharmaceutical industry, it is crucial that relationships are carefully fostered with suppliers, customers, government departments and regulatory organisations. With respect to the external communication, Seqirus has a dedicated Corporate Affairs and Communications function to manage this. The Directors encourage and role-model positive engagement our key external stakeholders, for example UK Government and HMRC.
d) the impact of the company's operations on the community and environment	The Seqirus Group follows the Code of Corporate Responsibility which is published on an annual basis by its parent company CSL Limited. In this report there is a specific section on Environmental Management.
e) the desirability of the Company maintaining a reputation for high standards of business conduct	The Seqirus Group follows the code of conduct set out by its parent company CSL Limited which is detailed in full on the CSL website. The Directors in their capacity as leaders in the business actively promote these policies through providing regular training for all employees to understand their responsibilities. In addition, the Directors expect all employees to demonstrate high standards of business integrity and ethical behaviours and includes this as an objective in all employee's performance plans on an annual basis.
f) the need to act fairly as between shareholders of the Company	The Seqirus Group is wholly owned by CSL Limited. As a listed company on the Australian Stock Exchange the CSL Board and Global Leadership Group (GLG) strive to deliver sustainable financial growth for the shareholders as noted in their Annual Report. The Directors are aligned to this objective by following the direction from the GLG, either in their capacity as direct reports of the GLG or from further cascade.

Seqirus Vaccines Limited

Directors' report (continued)

Streamlined Energy and Carbon Reporting (SECR)

Reasons for Change in Emissions

There were increases in the use of gas and electricity, due to the higher demand for vaccines. This was offset by a small reduction in fugitive emissions and business use of private cars.

Quantification and Reporting Methodology

We have used Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, updated March 2019.

2021 UK Government's Conversion Factors for Company Reporting.

Data derived from Climate Change Agreement, UK and European Emissions Trading Schemes and ESOS submissions and internal readings, for submissions not included in these schemes. Mileage was recorded from company expense records and fugitive emissions from refrigerant 'top-up' records.

Organisational Boundary

We have used the financial control approach.

Operational Scopes

We have measured our scope 1,2 and 3 emissions, appropriate to our operation, as above. We have used internal reads for all submissions. We have submitted Fugitive data on a voluntary basis, as it was considered 'significant'. There is no company owned transport but employees are recompensed for business use of private cars and this is added from internal records.

No other optional emissions are recorded.

Scope 1	2020-2021	2019-2020
	tCO ₂	tCO ₂ e
Gas	4,705	3,969
Gas oil	13	7
Fugitive	80	614
Total	4,799	4,590

Scope 2	2020-2021	2019-2020
	tCO ₂	tCO ₂ e
Electricity Generation	4,547	4323
Total	4,547	4,323

Scope 3	2020-2021	2019-2020
	tCO ₂	tCO ₂ e
Electricity Transmission and Distribution	402	372
Business Mileage Business use of private cars	2	21
Total	404	393

Intensity Measurement	2020-2021	2019-2020
Scope 1 and 2 emissions in tCO ₂ e of thousand doses of product	0.16	0.22

Seqirus Vaccines Limited

Directors' report (continued)

Streamlined Energy and Carbon Reporting (SECR) (continued)

	2020-2021	2019-2020
Tonnes CO2e	S1,S2,S3	S1, S2, S3
Gross Emissions	9,750	9,306
Export, offsets, Carbon Units	None	None
Net Emissions	9,750	9,306

Base Year

We have fixed our base year at 2019-2020, our first year of SECR.

Our base year recalculation policy is to recalculate our base year and the prior year emissions for relevant significant changes which meet our significance threshold of base year emissions.

Targets

There are no set targets for emissions reductions, as we are in the early stages of development. Our energy initiatives are the responsibility of Kevin Ridley, the Operations Manager at Speke, who reports to Greg Taylor the Global Board Director.

Energy Efficiency Action

We are progressing with the installation of LED lighting, throughout our production and office buildings. During the reporting year, we completed the upgrading of the upstream manufacturing area..

Intensity Measurement

We have chosen the metric global scope 1 and 2 emissions in tonnes of CO2e per thousand doses of product, in line with our CCA reporting. The Intensity Measurement improvement is mainly due to an increase in production.

External Assurance Statement

We have received external assurance from Stuart Jackson Associates Limited.

Carbon Offsets

We have made no purchases during the reporting year.

Fuel purchases

We purchased 25,349MWh of gas, 21,415MWh of electricity and 51MWh of gas oil for our own use.

Dividends

The Company paid a dividend of £nil (2020: £nil) to its immediate parent company, Seqirus Vaccines Holdings Limited, during the year.

Future developments

The Company is expected to continue to manufacture and sell flu vaccines for the foreseeable future. The principal risks and uncertainties of the Company have been noted in the Strategic report.

Employees

The directors maintain the provision of information to and consultation with employees by means of regular and ad hoc meetings of management and employees. The company also provides information using email for employee briefs and the Company's area of the Seqirus Group website. The Company encourages the involvement in the Company's performance through its bonus schemes and employee share schemes. The Company ensures that it offers equal opportunity to disabled employees.

Seqirus Vaccines Limited

Directors' report (continued)

Employees (continued)

The Company gives full and fair consideration to applications for employment received from disabled persons, having regard to their particular aptitudes and abilities and wherever possible the Company continues the employment of, and arranges for the appropriate training of, employees who become disabled persons whilst employed by the Company. Disabled employees are treated no differently from other employees as regards training, career development and promotion opportunities. This policy was operated by the Company, where appropriate, throughout the year.

Going concern

The directors' have prepared the financial statements of Seqirus Vaccines Limited on a going concern basis as the Company is profitable and is in a significant net asset position. The company operates as a limited risk manufacturing component of the wider Seqirus group. As such, it earns revenue through a toll manufacturing arrangement with Seqirus UK Limited, a company under common control. The nature of this arrangement results in the company's ability to continue as a going concern being inextricably linked to that of the wider Seqirus group. Based on a review of the Seqirus group forecasts, the Company is expected to remain profitable throughout the going concern assessment period to 31st March 2023. Furthermore, the Directors have received a letter of support from the Company's ultimate parent company, CSL Limited. The letter confirms ongoing support, should it be required, for a period of twelve months from the date of approval of these financial statements. The Directors have satisfied themselves that CSL Limited has the ability to provide this support to the Company should it be required.

The Seqirus Group continues to monitor the Covid-19 situation as it evolves. All the necessary steps are being taken to protect the ongoing supply of product, and our people. The Company has continued to trade through lockdown restrictions in the year. Demand for the Seqirus Group's products manufactured by the company remains strong and there has been no adverse impact on trading performance.

Disclosure of information to auditors

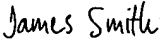
In the case of each of the persons who were directors of the Company at the date when this report is approved:

- so far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of this information.

Independent auditors

A resolution concerning the re-appointment of the Company's auditors, Ernst & Young LLP, will be proposed at the Annual General Meeting.

On behalf of the board

DocuSigned by:

A4465276848D469
James Edward Smith
Director
Date: March 22, 2022

Seqirus Vaccines Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic report, Directors 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 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 these financial statements, the directors are required to:

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEQIRUS VACCINES LIMITED

Opinion

We have audited the financial statements of Seqirus Vaccines Limited for the year ended 30 June 2021 which comprise the Income Statement, the Statement of comprehensive income, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 20, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 June 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern during the assessment period to 31st March 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report set out on pages 3-11, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEQIRUS VACCINES LIMITED
(Continued)

Other information (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 11 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEQIRUS VACCINES LIMITED (Continued)

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework, FRS 101, the Companies Act 2006 and the relevant tax laws and regulations in the UK. In addition, we concluded that there are certain significant laws and regulations which may have an effect on the determination of the amounts and disclosures in the financial statements relating to health and safety, employee matters and data protection.
- We understood how the company is complying with those frameworks by making enquiries of management and corroborating these enquiries through review of board minutes and understanding the entity level control framework in place, such as employee code of conduct and similar policies.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where they considered there may be susceptibility to fraud. We also considered the entity level controls in place. We considered the existence of performance targets and the company's bonus scheme, and the potential influence this may have on management to manipulate reported results. We performed walk throughs of the key processes to gain an understanding of the controls in place to address the risk of fraud either by preventing or detecting and correcting such irregularities. Where the risk was higher, we performed audit procedures to address each identified fraud risk. These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved journal entry testing focusing on manual journals or journals that indicated an unusual or large transaction; review of board minutes, enquiries of management and; challenging the assumptions and judgements made by management including reviewing third party evidence wherever possible and utilising our data analytics platform in performing certain aspects of these procedures.

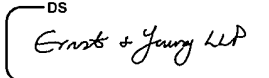
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEQIRUS VACCINES LIMITED
(Continued)

Auditor's responsibilities for the audit of the financial statements (continued)

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

^{DS}


Matthew Fox (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Hull

March 23, 2022

Seqirus Vaccines Limited

Income Statement for the year ended 30 June 2021

	Note	June 2021 £m	June 2020 £m
Revenue	3	122.1	117.6
Cost of sales		(104.1)	(97.1)
Gross profit		18.0	20.5
Administrative expenses		(6.9)	(8.9)
Operating profit	4	11.1	11.6
Other income		1.5	-
Other income		1.5	-
Interest payable and expenses		(0.8)	(0.3)
Other expenses		(0.8)	(0.3)
Profit before income tax		11.8	11.3
Income tax expense	6	(5.2)	(3.4)
Profit for the year		6.6	7.9
Attributable to:			
Owners of the company		6.6	7.9

All results relate to continuing operations.

Statement of total comprehensive income for the year ended 30 June 2021

The Company has no recognised gains and losses other than those included in the results above.

The accompanying notes on pages 19 to 36 form an integral part of the financial statements.

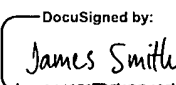
Seqirus Vaccines Limited

Balance sheet as at 30 June 2021

	Note	2021 £m	2020 £m
Assets			
Non-current assets			
Property, plant and equipment	7	140.7	136.1
Right-of-use assets	8	30.3	18.5
		171.0	154.6
Current assets			
Inventories	10	53.7	34.2
Trade and other receivables	11	89.4	140.6
Cash and cash equivalents	12	9.2	1.2
		152.3	176.0
Total assets		323.3	330.6
Equity			
Capital and reserves attributable to equity owners of the company			
Share capital	14	-	-
Share premium		68.7	68.7
Retained earnings		175.4	168.6
Total equity		244.1	237.3
Liabilities			
Non-current liabilities			
Deferred income tax liabilities	15	13.0	9.2
Non-current lease liabilities	8	26.2	13.7
Provision for other liabilities	16	4.5	4.4
		43.7	27.3
Current liabilities			
Trade and other payables	13	33.0	64.4
Current income tax liabilities		1.4	0.3
Current lease liabilities	8	1.1	1.3
Total current liabilities		35.5	66.0
Total liabilities		79.2	93.3
Total equity and liabilities		323.3	330.6

Registered no. 3970089

The financial statements on pages 19 to 36 were approved by the board of directors and were signed on its behalf by:

DocuSigned by:

 James Edward Smith
 Director

Date: March 22, 2022

Seqirus Vaccines Limited

Statement of changes in equity for the year ended 30 June 2021

	Share capital £m	Share premium £m	Retained earnings £m	Total equity £m
At 1 July 2019	-	68.7	160.9	229.6
Profit for the year and total comprehensive income	-	-	7.9	7.9
IFRS16 Opening balance adjustment	-	-	(0.4)	(0.4)
Share Based Payment Reserve adjustment	-	-	0.2	0.2
At 30 June 2020	-	68.7	168.6	237.3
At 1 July 2020	-	68.7	168.6	237.3
Profit for the year and total comprehensive income	-	-	6.6	6.6
Share Based Payment Reserve adjustment	-	-	0.2	0.2
At 30 June 2021	-	68.7	175.4	244.1

The accompanying notes on pages 19 to 36 form an integral part of the financial statements.

Seqirus Vaccines Limited

Notes to the financial statements for the year ended 30 June 2021

1 Principal accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements have been prepared on a going concern basis.

1.1 Basis of preparation

Seqirus Vaccines Limited is a private limited liability company incorporated in England. Its registered office is Point, 29 Market Street, Maidenhead, Berkshire, SL6 8AA. The Company's immediate parent company is Seqirus Vaccines Holdings Limited, a company incorporated in England while its ultimate parent company is CSL Limited, a company incorporated in Australia.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework (FRS 101)' and the Companies Act 2006. The Company's financial statements are presented in pound sterling which is the functional currency of the Company.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 2).

Financial Reporting Standard 101 – reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- 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 paragraph 17 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 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

1.2 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities primarily the sale of flu vaccines. Revenue is shown net of value added tax, vaccines insurance tax, returns, rebates and discounts.

The Company recognises revenue when the amount of the revenue can be reliably measured; it is probable that future economic benefits will flow to the Company and when specific criteria have been met for each of the Company's activities. The amount of revenue is not considered to be reliably measured until all contingencies relating to the sale have been resolved. The Company bases its estimates on historical results and information from its customers, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Seqirus Vaccines Limited

Notes to the financial statements for the year ended 30 June 2021 (continued)

1 Principal accounting policies (continued)

1.3 Leases

The company applies IFRS 16. All leases will have been accounted for on the balance sheet; except for low value leases and those held for less than 12 months.

Lease term

IFRS 16 defines a lease term as the non-cancellable period for which the lessee has the right to use an underlying asset including optional periods when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease. Management have considered all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term.

Company as a lessee

The company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. A single recognition and measurement approach is applied for all leases, except for short term leases and leases of low-value assets. The company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The company recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct cost incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the life of the lease.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The company's lease liabilities are included in Leases (Note 8).

Seqirus Vaccines Limited

Notes to the financial statements for the year ended 30 June 2021 (continued)

1 Principal accounting policies (continued)

Short-term leases and leases of low-value assets

The company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment that are less than 12 months long. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

1.4 Foreign currency translation

The functional and presentation currency of the Company is Pound Sterling. Foreign currency transactions during the year are translated into Pound Sterling at the rates of exchange in force at the time they arise. Monetary assets and liabilities denominated in foreign currencies are translated into Pound Sterling at rates of exchange ruling at the balance sheet date. Translation differences are taken to the income statement.

1.5 Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date.

1.6 Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

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

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

1.7 Employee benefits

(a) Pension obligations

The Company has a defined contribution plan. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Seqirus Vaccines Limited

Notes to the financial statements for the year ended 30 June 2021 (continued)

1 Principal accounting policies (continued)

b) Termination benefits

Termination benefits may be payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

c) Profit-sharing and bonus plans

The Company recognises a liability and an expense for bonuses and profit sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments and other performance criteria, which may not be restricted solely to the achievement of financial measures.

1.8 Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restoration provisions comprise costs associated with expiration of property leases.

1.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the average cost method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

The carrying value of inventory is continually assessed against a number of criteria, including quality standards, expiry dates and sales demand forecasts. Provisions are created to reduce the carrying value when it becomes likely that one of the assessment criteria may not be met.

1.10 Grants

Grants for capital expenditure are deferred and released to revenue over the expected useful life of the relevant asset by equal annual amounts. Grants for revenue expenditure are credited to revenue in the same period in which the revenue expenditure to which they relate is charged.

1.11 Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Interest is capitalised as part of the cost of an asset when the asset purchases are funded by means of interest-bearing borrowings.

Seqirus Vaccines Limited

Notes to the financial statements for the year ended 30 June 2021 (continued)

1 Principal accounting policies (continued)

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost over their estimated useful lives, as follows:

Freehold buildings	25 – 40 years
Leasehold land and buildings	Term of lease
Leasehold improvements	Term of lease
Plant, equipment and machinery	3 – 20 years
Computer equipment	3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within administrative expenses in the income statement.

Internal and external impairment indicators are assessed annually. Where any such indicators are identified, the Company will review and calculate the affected assets recoverable value in order to ensure that no asset is carried at an amount higher than its recoverable value.

1.12 Related parties

The Company is a wholly owned subsidiary of CSL Limited, a company incorporated in Australia.

All intra group and other related party disclosures as required under IAS 24 are included in notes 11 and 13.

1.13 Interest costs

Interest costs are expensed directly in the income statement and are recognised in the year the costs are incurred on an effective interest basis, excluding interest costs capitalised as fixed assets.

1.14 Share capital

Ordinary shares are classified as equity.

1.15 Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairments.

1.16 Payables

Payables are recognised at book value which approximates to their fair value given short maturity.

Seqirus Vaccines Limited

Notes to the financial statements for the year ended 30 June 2021 (continued)

1 Principal accounting policies (continued)

1.17 Going Concern

The directors' have prepared the financial statements of Seqirus Vaccines Limited on a going concern basis as the Company is profitable and is in a significant net asset position. The company operates as a limited risk manufacturing component of the wider Seqirus group. As such, it earns revenue through a toll manufacturing arrangement with Seqirus UK Limited, a company under common control. The nature of this arrangement results in the company's ability to continue as a going concern being inextricably linked to that of the wider Seqirus group. Based on a review of the Seqirus group forecasts, the Company is expected to remain profitable throughout the going concern assessment period to 31st March 2023. Furthermore, the Directors have received a letter of support from the Company's ultimate parent company, CSL Limited. The letter confirms ongoing support, should it be required, for a period of twelve months from the date of approval of these financial statements. The Directors have satisfied themselves that CSL Limited has the ability to provide this support to the Company should it be required.

The Seqirus Group continues to monitor the Covid-19 situation as it evolves. The Covid-19 pandemic was announced by the WHO in March 2020 and the UK Government placed strict measures in place to manage the impact in the UK effective from 23 March 2020. These measures have continued throughout FY21, of varying rigor, and the Seqirus Group has continued to adhere to all government restrictions as they have developed. Due to the seasonality and nature of the Seqirus Group's activities, there has been no material impact on FY21 trading performance as a result of the Covid-19 pandemic such as the restrictions on movement, social distancing measures, supply chain availability or available manufacturing capacity.

The directors have conducted an assessment on the potential financial and operational risks to the business. The directors believe that the various risks, including safety to employees, ability to manufacture our products and ensuring enough cash resources to operate our business, have been adequately managed. The directors forecast the Company will continue to trade profitably and believe there are no risks created to assets in the balances in the relation to impairment and recoverability of financial assets.

The directors continue to follow the Government guidance applicable to the situation of each entity and continue to take all the necessary steps to protect the ongoing supply of product and our people.

2 Critical judgements and estimation uncertainty

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

Seqirus Vaccines Limited

Notes to the financial statements for the year ended 30 June 2021 (continued)

2.1 Leases

Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

2.2 Financial risk management policy

The Company's principal financial investments comprise cash and cash equivalents. Other financial assets and liabilities, such as trade debtors and creditors, arise directly from the Company's operating activities. The main purpose of the financial instruments is to provide finance for the Company's ongoing operations. It is, and has been throughout the year under review, the Company's policy that no trading in financial instruments shall be undertaken.

The main risks associated with the Company's financial assets and liabilities are interest rate risk, liquidity risk and currency risk as summarised below:

Competitive risk

The Company does not have a specific competitive risk due to its role as a limited risk distributor as part of the wider Seqirus Group, however the group is reliant on several fixed term contracts with US distributors for the sale of flu vaccines, which could impact the Company.

Legislative risk

The Seqirus Group has a legal team who regularly review legislation and standards for any revisions. All relevant employees complete mandatory training to remain up-to date with the legislation and standards relevant to their job position.

Interest rate risk

The Company has maintained positive cash balances during the year and invests surplus cash balances with an associated company at prevailing market rates.

Liquidity risk

The Company aims to mitigate liquidity risk by managing cash generated by its operations.

Foreign currency risk

The Company's sales are predominantly in Pound Sterling. The company does not hedge any currency exposure as the Company is a member of a group in which there is a central treasury function responsible for the management of currency exposures on behalf of the group.

Economic Risks - Brexit

As a company incorporated and operating in the UK, there is an element of risk surrounding the nation's formal decision to leave the European Union in January 2021. The Seqirus Group had undertaken a full risk assessment on the basis of a Hard Brexit, and the resulting business processes designed to ensure that product can continue to be manufactured, tested and released compliantly have been adopted. The Seqirus Group continues to monitor the Brexit landscape as it evolves to ensure these processes remain relevant and effective.

Seqirus Vaccines Limited

Notes to the financial statements for the year ended 30 June 2021 (continued)

2.2 Financial risk management policy (continued)

Economic Risks – Covid 19

There is an element of uncertainty due to the impacts of the Covid-19 pandemic. The Seqirus Group continues to monitor the Covid-19 situation as it evolves. All the necessary steps are being taken to protect the ongoing supply of product, and our people. Further information is given in the Directors' Report.

3 Revenue

Management has determined that the company primarily operates in only one segment based on the reports reviewed by the company's management team. Revenue by location of customer is shown below:

	30 June 2021	30 June 2020
	£m	£m
UK	122.0	117.5
USA	0.1	-
Europe	-	0.1
	122.1	117.6

4 Operating profit/loss

The operating profit/loss is stated after charging;

	30 June 2021	30 June 2020
	£m	£m
Depreciation of tangible fixed assets	12.9	11.5
Depreciation of right of use assets	1.8	1.4
Exchange (gains)/losses	(0.1)	0.4
Defined contribution pension costs	2.0	1.7

5 Auditors' remuneration

The company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the Company:

	30 June 2021	30 June 2020
	£	£m
Fees for the audit of the Company	0.1	0.1

Seqirus Vaccines Limited

Notes to the financial statements for the year ended 30 June 2021 (continued)

6 Income tax expense

	30 June 2021	30 June 2020
	£m	£m
Analysis of tax charge in the year		
Current tax – continuing operations		
- UK corporation tax on profit for the year	1.8	1.4
- Adjustment to tax charge in respect of prior years	(0.3)	(0.1)
Total current tax charge	1.5	1.3
Deferred tax		
- Origination and reversal of timing differences	0.7	1.2
- Adjustment to tax charge in respect of prior years	(0.1)	-
- Adjustment in respect of rate change	3.1	0.9
Total deferred tax charge	3.7	2.1
Total tax charge	5.2	3.4

The tax assessed on the Company's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits as follows:

	30 June 2021	30 June 2020
	£m	£m
Profit before tax	11.8	11.3
Profit before tax multiplied by effective rate of corporation tax in the UK of 19% (2020: 19%)	2.2	2.2
Effects of:		
Other permanent differences and UK transfer pricing	0.3	0.3
Effect of change in tax rate	3.1	0.9
Amounts credited to equity	-	0.1
Adjustments to tax charge in respect of prior years – deferred tax	(0.1)	-
Adjustments to tax charge in respect of prior years – current tax	(0.3)	(0.1)
Total tax charge for the year	5.2	3.4

Current tax liabilities/(assets) for the current and prior years are measured at the amount expected to be paid or recovered from the taxation authorities, or as group relief, from group undertakings, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Current tax liabilities/(assets) have been recognized at the effective rate of 19% (2020: 19%).

Seqirus Vaccines Limited

Notes to the financial statements for the year ended 30 June 2021 (continued)

6 Income tax expense (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted, or substantively enacted by the balance sheet date. As such, following the substantive enactment during the period of an increase to the UK corporate tax rate to 25% from 1 April 2023, appropriate rates have been applied to deferred tax assets and liabilities based on modelling of the likely timing of their realisation. Deferred tax is charged or credited in the income statement except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

7 Property, plant and equipment

	Land and buildings £m	Plant, equipment and machinery £m	Assets in the course of construction £m	Total £m
At 30 June 2020				
Cost	19.6	156.0	51.5	227.1
Accumulated depreciation	(8.9)	(82.1)	-	(91.0)
Net book amount	10.7	73.9	51.5	136.1
Year ended 30 June 2021				
Opening net book amount	10.7	73.9	51.5	136.1
Additions	0.2	16.7	0.7	17.6
Disposal	-	-	(0.1)	(0.1)
Depreciation charge	(1.6)	(11.3)	-	(12.9)
Transfers	0.6	42.5	(43.1)	-
Closing net book amount	9.9	121.8	9.0	140.7
At 30 June 2021				
Cost	20.4	215.2	9.0	244.6
Accumulated depreciation	(10.5)	(93.4)	-	(103.9)
Net book amount	9.9	121.8	9.0	140.7

Seqirus Vaccines Limited

Notes to the financial statements for the year ended 30 June 2021 (continued)

8 Leases

The Company has lease contracts for various items of buildings and vehicles used in its operations. Leases of buildings generally have lease terms between 5 and 30 years, while motor vehicles generally have lease terms between 4 and 6 years. The company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is not restricted from assigning and subleasing the leased buildings and there is not a requirement for the Company to maintain certain financial ratios to meet the conditions of the lease.

The Company also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases. The Company does not have any leases that include variable lease payments.

(a) Amounts recognised in the balance sheet

Right of use assets	Land and Buildings £m	Total £m
At 1 July 2019		
Cost	22.4	22.4
Accumulated depreciation	(5.2)	(5.2)
Net book amount	17.2	17.2
Year ended 30 June 2020		
Opening net book amount	17.2	17.2
Additions	2.7	2.7
Depreciation charge	(1.4)	(1.4)
Closing net book amount	18.5	18.5
At 30 June 2020		
Cost	25.1	25.1
Accumulated depreciation	(6.6)	(6.6)
Net book amount	18.5	18.5
Year ended 30 June 2021		
Opening net book amount	18.5	18.5
Additions	13.6	13.6
Depreciation charge	(1.8)	(1.8)
Closing net book amount	30.3	30.3

Seqirus Vaccines Limited

Notes to the financial statements for the year ended 30 June 2021 (continued)

8 Leases (continued)

Right of use assets	Land and Buildings £m	Total £m
At 30 June 2021		
Cost	38.7	38.7
Accumulated depreciation	(8.4)	(8.4)
Net book amount	30.3	30.3

Lease liability	30 June 2021 £m	30 June 2020 £m
Current	1.1	1.3
Non-current	26.2	13.7
Total Liability	27.3	15.0

(b) Amounts recognised in the income statement

The income statement shows the following amounts related to leases:

	30 June 2021 £m	30 June 2020 £m
Depreciation charge on Right of use assets		
Building	1.8	6.5
	1.8	6.5

	30 June 2021 £m	30 June 2020 £m
Interest expense on lease liabilities		
Interest Expense	0.8	0.3
	0.8	0.3

Seqirus Vaccines Limited

Notes to the financial statements for the year ended 30 June 2021 (continued)

8 Leases (continued)

Future minimum lease payments are as follows:

	30 June 2021	30 June 2020
	£m	£m
Not later than one year	1.1	1.3
After one year but not more than five years	5.6	5.7
After five years	20.6	8.0

The total cash outflow for leases in the year ended 30 June 2021 was £1,538,012 (2020: £1,132,091).

9 Directors and employees

a) Directors

Two of the directors received emoluments, including contributions to money purchase pension schemes, in respect of their services to the company during the year (2020: one).

	30 June 2021	30 June 2020
	£'000	£'000
Aggregate emoluments	607	189
Highest paid director	30 June 2021 £'000	30 June 2020 £'000
Total emoluments	364	189

In addition to the above, there were no share options exercised by the highest paid director (2020: £nil). The company made no contributions to the defined contribution pension scheme of the highest paid director (2020: £nil).

No emoluments were paid to them for their ancillary services to the company.

b) Key management personnel

The Company has taken advantage of the exemption in relation to IAS 24 to not disclose information about key management personnel compensation.

Seqirus Vaccines Limited

Notes to the financial statements for the year ended 30 June 2021 (continued)

9 Directors and employees (continued)

c) Employee benefit expense

	30 June 2021	30 June 2020
	£m	£m
Wages and salaries	38.6	34.1
Social security costs	3.4	2.3
Shares granted to directors and employees	0.2	0.1
Other pension costs – defined benefit plans (note 17)	2.0	1.7
	44.2	38.2

d) Average monthly number of people employed

	30 June 2021	30 June 2020
	Number	Number
Manufacturing, research and development	543	483
Administration	30	27
	573	510

10 Inventories

	30 June 2021	30 June 2020
	£m	£m
Raw materials	17.6	14.2
Work in progress	33.3	19.6
Finished goods	2.8	0.4
	53.7	34.2

The cost of inventories recognised as an expense and included in cost of sales amounted to £108.4m (2020: £86.5m).

Seqirus Vaccines Limited

Notes to the financial statements for the year ended 30 June 2021 (continued)

11 Trade and other receivables

	30 June 2021	30 June 2020
	£m	£m
Prepayments	-	0.8
VAT receivable	1.7	2.1
Other receivables	-	0.7
Receivables from related parties	68.4	117.7
Loans to related parties	19.3	19.3
Total receivables	89.4	140.6

Receivables are stated at book value which approximates to their fair value.

The company has given an undertaking in relation to the receivables due from related parties that it will not seek repayment for a period not less than 12 months from the date of approval of the financial statements.

The loans to the related parties are classified as repayable on demand. Management have considered the probability of default, the loss given default, when the borrower is not capable of repaying on demand, and the discount rate when calculating expected credit losses (ECL) and concluded that no ECL is required as the related parties have liquid assets and profitable operations to enable repayment. At every reporting date there is an assessment made of the recoverability of each of the intercompany loans and where applicable a provision is made to take account of the likelihood of non-recoverability.

12 Cash and cash equivalents

	30 June 2021	30 June 2020
	£m	£m
Cash at bank and in hand	9.2	1.2

Seqirus Vaccines Limited

Notes to the financial statements for the year ended 30 June 2021 (continued)

13 Trade and other payables

	30 June 2021	30 June 2020
	£m	£m
Amounts falling due within one year:		
Trade payables	12.9	14.3
Amounts due to related parties	11.8	43.1
Social security and other taxes	0.5	0.2
Accrued expense	7.8	6.8
	33.0	64.4

Payables are stated at cost which approximates to their fair value.

The above payables are due within one year based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

14 Share capital

	Number of shares	30 June 2021 £	Number of shares	30 June 2020 £
Authorised				
Ordinary shares of £1 each	100	100	100	100
Issued and fully paid				
Ordinary shares of £1 each	100	100	100	100

Seqirus Vaccines Limited

Notes to the financial statements for the year ended 30 June 2021 (continued)

15 Deferred income tax

Deferred income tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority where there is an intention to settle the balances on a net basis.

	30 June 2021 £m	30 June 2020 £m
Deferred tax assets:		
- Deferred tax asset to be recovered after more than 12 months	0.1	0.1
	0.1	0.1
Deferred tax liabilities:		
- Deferred tax liability to be recovered after more than 12 months	(13.1)	(9.4)
	(13.1)	(9.4)
Deferred tax liabilities – net	(13.0)	(9.3)

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances is as follows:

Deferred tax (liabilities)/assets	Accelerated tax depreciation £m	Share based payments £m	Retirement benefit obligations £m	Total £m
At 30 June 2019	(7.3)	-	-	(7.3)
Charged to income statement	(2.1)	-	-	(2.1)
Credited directly to equity	-	-	0.1	0.1
At 30 June 2020	(9.4)	-	0.1	(9.3)
Charged to income statement	(3.7)	-	-	(3.7)
Credited directly to equity	-	-	-	-
At 30 June 2021	(13.1)	-	0.1	(13.0)

Deferred income tax balances have been re-measured in accordance with changes in UK tax legislation as stated in note 6.

Seqirus Vaccines Limited

Notes to the financial statements for the year ended 30 June 2021 (continued)

16 Provision for other liabilities

	30 June 2021	30 June 2020
	£m	£m
Non-current provision for other liabilities	4.5	4.4

The company holds a provision for the expected restoration costs on existing property leases as disclosed in note 8. The amount is not payable within 12 months from the balance sheet date and is therefore classified as non-current.

17 Retirement benefit obligations

Pension benefits: defined contribution scheme

The company continues to operate a defined contribution pension scheme. Contributions paid by the company and included within staff costs (note 9) are:

	30 June 2021	30 June 2020
	£m	£m
Pension contributions	2.0	1.7

18 Ultimate parent undertaking and controlling party

CSL Limited, a company incorporated in Australia, is the company's ultimate parent undertaking and controlling party. Copies of the group financial statements can be obtained from CSL Limited, 45 Poplar Road, Parkville, Victoria 3052.

19 Capital commitments

Capital commitments at 30 June 2021 which were contracted but not provided for amounted to £0.7m (2020: £6.8m). The reduction year on year is due to the completion of the Fill Finish Facility project in FY21.

20 Subsequent Event

In February 2022, a number of countries (including the US, UK and EU) imposed new sanctions against certain entities and individuals in Russia as a result of the official recognition of the Donetsk People Republic and Lugansk People Republic by the Russian Federation. Announcements of further additional sanctions have been made following military operations initiated on 24 February 2022. These events and the consequential impact on global economies and markets are considered to be a non-adjusting subsequent event. The company does not trade with Russia or Ukraine, and there has been no material impact on operations to date as a result of these events.