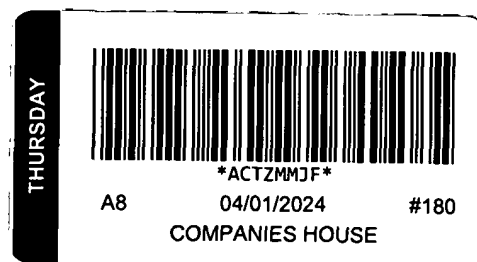


Seqirus Vaccines Limited

Annual report and financial statements

30 June 2023

Registered number 3970089



Seqirus Vaccines Limited

Report for the year ended 30 June 2023

Contents

	Page
Directors and advisors	2
Strategic report	3
Directors' report	6
Independent auditors' report to the members of Seqirus Vaccines Limited	12
Financial statements	
Income statement	16
Balance sheet	17
Statement of changes in equity	18
Notes to the financial statements	19

Seqirus Vaccines Limited

Directors and advisors

Directors

Stephen Michael Marlow
Nigel Charles Hilton
James Edward Smith
Vasilios Mavrogenis

Company secretaries

Virginie Didier
Hannah Holland-Wright

Registered office

Gaskill Road
Liverpool
Merseyside
L24 9GR

Independent auditors

Ernst and Young LLP
Edward Pavilion
Royal Albert Dock
Liverpool
L3 4AF

Seqirus Vaccines Limited

Strategic report

The directors present their strategic report for the year ended 30 June 2023.

These financial statements cover the year to 30 June 2023, with the comparatives for the year ended 30 June 2022.

Business model and principal activities

The principal activity of the company is the manufacture and sale of influenza vaccines which are sold to other entities within the group. The influenza vaccines that the company manufactures are formulated and filled both at its Liverpool site and by third party companies.

Review of the business

The Company's main business is the manufacture and supply of quadrivalent influenza vaccines. The Company made a profit of £13.7m in the year ended 30 June 2023 (2022: £11.3m). The Company made a profit before tax of £16.5m in the year (2022: £14.9m). Further detail of the Company's performance is included in the KPI section below.

Results and dividends

The profit for the year was £13.7m (2022: £11.3m). The board recommend payment of a dividend in the amount of £150.1m, paid in USD to Seqirus Vaccines Holdings Limited (2022: nil). This was paid in full during the year. The directors considered the profitability of the Company and agreed that paying this dividend would not impact the Company's ability to pay amounts owed.

Position at year end

The Company has net assets at 30 June 2023 of £119.8m (2022: £255.7m).

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. No Research and Development costs were charged to the income statement in the year.

Seqirus Vaccines Limited

Strategic report (continued)

Key performance indicators (KPIs)

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

	2023 (£'m)	2022 (£'m)	Change %
Revenue	165.9	127.9	+29.7%
Operating Profit	12.5	9.8	+27.6%
Current assets as a % of current liabilities	102.6%	459.1%	-77.6%

Revenue has increased significantly by 29.7% in the year. This is due to a number of factors:

- We have seen a significant increase in demand for our flu products over the past three years due to the Covid-19 global pandemic.
- Overall, we have seen an increase in intragroup revenue due to the increased sales of the Seqirus group in total which is predominantly realized in the group's largest market in the US.

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. However, gross profit margin in the year decreased by 2.0% to 11.3% down from 13.2% in 2022. The decrease in gross profit margin is due to product mix sold onto intragroup companies. We expect this gross profit margin to stay largely in line into the future.

Overall, there has been an increase in operating profit of £2.7m or 27.6%. This is driven by a small decrease in administrative costs year on year.

The quick ratio (current assets as a % of current liabilities) has reduced in the year by 77.6%. This is due to a reduction in the year-end cash balance of 96.7% due to paying down trade payables with other group companies.

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 – Israel/Hamas Conflict

Armed conflict between Israel and Hamas began in October 2023. The Company does not trade nor has direct business relationships within these countries. As such, there have been no material impacts on our operations to date, as a result of these events. We continue to monitor developments with this conflict in Israel and surrounding areas, the possible expansion of such conflicts and potential geopolitical consequences, terrorism or other geopolitical events. At this time, the impacts to the company are uncertain and subject to change given the volatile nature of the situation.

Economic Risks – Russian Conflict

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. The Company does not trade with Russia and there have been no material impact on their operations to date as a result of these events.

Directors

At 30 June 2023 the Company had 4 directors (2022: 4 directors).

On behalf of the board

DocuSigned by:

James Smith

A4465378B4BD468...

James Edward Smith
Director

Date: 20 December 2023

Seqirus Vaccines Limited

Directors' report

The directors present their report and the audited financial statements of the company for the year ended 30 June 2023. 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 2023 and through to the date of signing 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 2023 (2022: two). This is disclosed in note 9.

Company secretaries

The Company secretaries during the year to 30 June 2023 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 (2022: £nil).

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. Main Key Decision in the year was the payment of a dividend detailed above in Results and Dividends.
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

Total reported emissions in 2022/2023 are down by approximately 4.3%. We purchased 23,569MWh of gas, 19,781MWh of electricity and 55MWh of gas oil for our own use. Emission reductions were in line with lower production and energy measures. We maintained our Energy Intensity Ratio

Quantification and Reporting Methodology

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

2023 UK Government's Conversion Factors for Company Reporting

Data derived from Climate Change Agreement, UK 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. 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	2022-2023	2021-2022
	tCO2	tCO2
Gas	4,313	4,631
Gas oil	14	18
Fugitive	20	80
Total	4,347	4,728

Scope 2	2022-2023	2021-2022
	tCO2	tCO2
Electricity Generation	4,096	4,090
Total	4,096	4,090

Scope 3	2022-2023	2021-2022
	tCO2e	tCO2
Electricity Transmission and Distribution	354	374
Business Mileage Business use of private cars	3	1
Total	357	375

Seqirus Vaccines Limited

Directors' report (continued)

Streamlined Energy and Carbon Reporting (SECR) (continued)

Intensity Measurement	2022-2023	2021-2022
Scope 1 and 2 emissions in tCO ₂ e of thousand doses of product	0.12	0.12

	2022-2023	2021-2022
Tonnes CO ₂ e	S1, S2, S3	S1, S2, S3
Gross Emissions	8,800	9,193
Export, offsets, Carbon Units	None	None
Net Emissions	8,800	9,193

We have agreed a contract for the provision of renewable electricity. The data above is derived on a grid carbon emission factor basis.

Taking renewable electricity as zero carbon, the following would apply:

	2022-2023	2021-2022
Tonnes CO ₂ e	S1, S2, S3	S1, S2, S3
Gross Emissions	4,705	5,104
Export, offsets, Carbon Units	None	None
Tonnes CO ₂ e	S1 and S2	S1 and S2
Gross Emissions	4,705	4,728
Intensity Ratio	0.06	0.06

We are reporting on a dual basis.

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.

Energy Efficiency Action

Our energy initiatives are the responsibility of the Operations Manager at Liverpool, who reports to directly to the Global Board Director.

Capital has been restricted to building expansion projects

We have continued on installations to meet our intention to replace all lighting with LED fittings. We have replaced 2 – 60kW boilers in Site 6. We have renewed our renewable electricity contract

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.

Carbon Offsets

We have made no purchases during the reporting year.

External Assurance Statement

We have received external assurance from Stuart Jackson Associates Limited.

Seqirus Vaccines Limited

Directors' report (continued)

Dividends

The Company paid a £150.1m dividend in the year (2022: £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 and employee share schemes. The Company ensures that it offers equal opportunity to disabled employees.

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. 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.

As a result of the above, the going concern basis was determined by analysing the Seqirus group cash flow budget covering the going concern assessment period to 31 December 2024. The cash flow budget is built using planning inputs from each of the individual entities within the group and the consolidated group cash flow is subject to review, challenge and sign off at a senior finance level.

Due to the Company's cash flow being linked to the performance of the wider Seqirus group and reviewed on a consolidated basis, 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 to 31 December 2024. The Directors have satisfied themselves that CSL Limited has the ability to provide this support to the Company should it be required and accordingly have prepared the financial statements on a going concern basis.

Directors' indemnity insurance

The Company directors are indemnified from third party claims and are covered under a group directors' and officers' Insurance policy.

Seqirus Vaccines Limited

Directors' report (continued)

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 resignation of the Company's auditors, Ernst & Young LLP and appointment of Deloitte Touche Tohmatsu as the Company's auditors commencing for the year ending 30 June 2024, will be proposed at the Annual General Meeting, and subject to shareholder approval.

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), 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, 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.

The report was approved by the board on 20 December 2023 and signed on its behalf.

DocuSigned by:

A4485378B4BD489
James Edward Smith
Director

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 2023 which comprise the Income Statement, the Balance sheet, the Statement of Changes in Equity and the related notes 1 to 21 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 2023 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 until 31 December 2024.

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

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

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.

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

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:

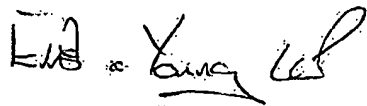
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework, FRS 101, the Companies Act 2006 and the relevant tax laws and regulations in the UK. In addition, we concluded 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.
- 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 utilizing our data analytics platform in performing certain aspects of these procedures.

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.

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

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.



Michael Harvey (Senior statutory auditor)

for and on behalf of Ernst & Young LLP,
Statutory Auditor

Liverpool

10 December 2023

Seqirus Vaccines Limited

Income Statement for the year ended 30 June 2023

	Note	June 2023 £m	June 2022 £m
Revenue	3	165.9	127.9
Cost of sales		(147.2)	(111.0)
Gross profit		18.7	16.9
Administrative expenses		(6.2)	(7.1)
Operating profit	4	12.5	9.8
Research and development income		0.7	0.7
Management income		2.4	2.1
Other Sundry Income		1.5	3.0
Interest income	8	0.1	-
Other income		4.7	5.8
Interest expenses	8	(0.7)	(0.7)
Other expenses		(0.7)	(0.7)
Profit before income tax		16.5	14.9
Income tax expense	6	(2.8)	(3.6)
Profit for the year		13.7	11.3
Attributable to:			
Owners of the company		13.7	11.3

All results relate to continuing operations. The Company has no recognised gains and losses other than those included in the results above.

The accompanying notes on pages 19 to 34 form part of these financial statements.

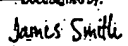
Seqirus Vaccines Limited

Balance sheet as at 30 June 2023

	Note	2023 £m	2022 £m
Assets			
Non-current assets			
Property, plant and equipment	7	131.0	131.1
Right-of-use assets	8	26.8	28.6
		157.8	159.7
Current assets			
Inventories	10	102.4	85.9
Trade and other receivables	11	4.1	25.5
Cash and cash equivalents	12	2.1	65.3
		108.6	176.7
Total assets		266.4	336.4
Equity			
Capital and reserves attributable to equity owners of the company			
Share capital	14	-	-
Share premium		68.7	68.7
Retained earnings		51.1	187.0
Total equity		119.8	255.7
Liabilities			
Non-current liabilities			
Deferred income tax liabilities	15	12.8	12.7
Non-current lease liabilities	8	23.5	25.0
Provision for other liabilities	16	4.5	4.5
		40.8	42.2
Current liabilities			
Trade and other payables	13	104.3	35.1
Current income tax liabilities		-	1.7
Current lease liabilities	8	1.5	1.7
Total current liabilities		105.8	38.5
Total liabilities		146.6	80.7
Total equity and liabilities		266.4	336.4

Registered no. 3970089

The financial statements on pages 16 to 34 were approved by the board of directors on 20 December 2023 and were signed on its behalf by:

DocuSigned by:

 James Edward Smith
 Director

20 December 2023

Seqirus Vaccines Limited

Statement of changes in equity for the year ended 30 June 2023

	Share capital	Share premium	Retained earnings	Total equity
	£m	£m	£m	£m
At 1 July 2021	-	68.7	175.4	244.1
Profit for the year and total comprehensive income	-	-	11.3	11.3
Share Based Payment Reserve adjustment	-	-	0.3	0.3
At 30 June 2022	-	68.7	187.0	255.7
At 1 July 2022	-	68.7	187.0	255.7
Profit for the year and total comprehensive income	-	-	13.7	13.7
Dividend paid for the year -	-	-	(150.1)	(150.1)
Share Based Payment Reserve adjustment	-	-	0.5	0.5
At 30 June 2023	-	68.7	51.1	119.8

The accompanying notes on pages 19 to 34 form part of these financial statements.

Seqirus Vaccines Limited

Notes to the financial statements for the year ended 30 June 2023

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 Gaskill Road, Liverpool, Merseyside, L24 9GR. 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 £'m 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.
- the requirements of paragraph 17 of IAS 24 on the basis company law requires disclosure of directors emoluments and further information on Key Management is unlikely to be relevant to users of financial statements.

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 and returns.

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 2023 (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 2023 (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, presented in £m. 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 substantively 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 2023 (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 of costs associated with expiration of property leases, discounted to present value using the discount rate discussed in note 2.

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.

Seqirus Vaccines Limited

Notes to the financial statements for the year ended 30 June 2023 (continued)

1 Principal accounting policies (continued)

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. 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.

Assets under construction are accounted for at cost. There is no depreciation of accumulated costs until the project is completed and the asset is available for use.

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 2023 (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. 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.

As a result of the above, the going concern basis was determined by analysing the Seqirus group cash flow budget covering the going concern assessment period to 31 December 2024. The cash flow budget is built using planning inputs from each of the individual entities within the group and the consolidated group cash flow is subject to review, challenge and sign off at a senior finance level.

Due to the Company's cash flow being linked to the performance of the wider Seqirus group and reviewed on a consolidated basis, 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 to 31 December 2024. The Directors have satisfied themselves that CSL Limited has the ability to provide this support to the Company should it be required and accordingly have prepared the financial statements on a going concern basis.

1.18 Financial risk management policy

The Company's principal financial instruments comprise of 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.

Seqirus Vaccines Limited

Notes to the financial statements for the year ended 30 June 2023 (continued)

1 Principal accounting policies (continued)

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 – Israel/Hamas Conflict

Armed conflict between Israel and Hamas began in October 2023. The Company does not trade nor has direct business relationships within these countries. As such, there have been no material impacts on our operations to date, as a result of these events. We continue to monitor developments with this conflict in Israel and surrounding areas, the possible expansion of such conflicts and potential geopolitical consequences, terrorism or other geopolitical events. At this time, the impacts to the company are uncertain and subject to change given the volatile nature of the situation.

Economic Risks – Russian Conflict

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. The Company is a holding company which does not trade. Furthermore, subsidiaries of the company do not trade with Russia and there have been no material impact on their operations to date as a result of these events.

1.19 Share based payments

Share based payments are awarded to employees as remuneration for services. These awards are granted for shares in the ultimate parent company and are equity settled at the time when vesting criteria of the specific award have been satisfied. In accordance with IFRS 2 a share-based payment expense is recognised in line with the associated employee services received, and a share based payment reserve is recognised within the statement of changes in equity.

1.20 Dividends Receivable and Payable

Dividends income and receivable (including those receivables from subsidiaries and associates) are recognised when the shareholder's right to receive payment is established for example when a dividend has been declared.

Dividend expense and payable can only be declared from profits generated by the company; a declared dividend is considered to mean that the dividends are appropriately authorised and no longer at the discretion of the entity.

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 2023 (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).

Estimating the restoration costs

The Company cannot readily determine the future costs to restore a leased property in accordance with lease terms. This is estimated through applying a cost rate per square foot to the leased area. The restoration cost rate per square foot used is determined through consultation and review of existing restoration costs of a similar property lease agreement. The overall value is discounted and recognised over the life of the lease.

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. All revenue below represents amounts sold to group companies.

	30 June 2023	30 June 2022
	£m	£m
UK	165.9	127.8
Australia	-	0.1
Total revenue	165.9	127.9

4 Operating profit

The operating profit is stated after charging:

	30 June 2023	30 June 2022
	£m	£m
Depreciation of tangible fixed assets	17.5	17.5
Depreciation of right of use assets	1.8	1.7
Inventory write offs	7.1	2.1
Exchange (gains)/losses	(0.3)	0.1
Defined contribution pension costs	2.7	2.3

Seqirus Vaccines Limited

Notes to the financial statements for the year ended 30 June 2023 (continued)

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 2023	30 June 2022
	£m	£m
Fees for the audit of the Company's financial statements	0.1	0.1

6 Income tax expense

	30 June 2023	30 June 2022
	£m	£m
Analysis of tax charge in the year		
Current tax – continuing operations		
- UK corporation tax on profit for the year	3.8	3.5
- Adjustment to tax charge in respect of prior years	(1.1)	0.4
Total current tax charge	2.7	3.9
Deferred tax		
- Origination and reversal of timing differences	(0.2)	(0.5)
- Adjustment to tax charge in respect of prior years	0.3	0.2
- Adjustment in respect of rate change	-	-
Total deferred tax credit/(charge)	0.1	(0.3)
Total tax charge	2.8	3.6

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 2023	30 June 2022
	£m	£m
Profit before tax	16.5	14.9
Profit before tax multiplied by effective rate of corporation tax in the UK of 20.5% (2022: 19%)	3.4	2.8
Effects of:		
Other permanent differences	0.3	0.2
Adjustments to tax charge in respect of prior years – deferred tax	0.4	0.2
Adjustments to tax charge in respect of prior years – current tax	(1.3)	0.4
Total tax charge for the year	2.8	3.6

Seqirus Vaccines Limited

Notes to the financial statements for the year ended 30 June 2023 (continued)

6 Income tax expense (continued)

Current tax liabilities/(assets) for the current and prior periods 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 20.5%. (2022: 19%)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted, or substantively enacted by the balance sheet date. The enacted rate of 25% (2022: 25% substantially enacted rate) has been applied to closing deferred tax assets and liabilities. 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 under construction £m	Total £m
Cost as at 30 June 2022	21.3	220.2	10.9	252.4
Additions	-	0.9	16.5	17.4
Transfers	0.6	2.1	(2.7)	-
Disposals	-	(0.8)	-	(0.8)
Cost as at 30 June 2023	21.9	222.4	24.7	269.0
Accumulated depreciation as at 30 June 2022	(11.8)	(109.5)	-	(121.3)
Depreciation Charge	(1.3)	(16.2)	-	(17.5)
Disposals	-	0.8	-	0.8
Accumulated depreciation as at 30 June 2023	(13.1)	(124.9)	0.0	(138.0)
Net book amount as at 30 June 2022	9.5	110.7	10.9	131.1
Net book amount as at 30 June 2023	8.8	97.5	24.7	131.0

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 35 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.

Seqirus Vaccines Limited

Notes to the financial statements for the year ended 30 June 2023 (continued)

8 Leases (continued)

(a) Amounts recognised in the balance sheet

	Land and buildings £m	Total £m
Cost as at 30 June 2022	38.7	38.7
Cost as at June 30 2023	38.7	38.7
Accumulated depreciation as at 30 June 2022	(10.1)	(10.1)
Depreciation Charge	(1.8)	(1.8)
Disposals	0.0	0.0
Accumulated depreciation as at 30 June 2023	(11.9)	(11.9)
Net book amount as at 30 June 2022	28.6	28.6
Net book amount as at 30 June 2023	26.8	26.8
Lease liability	30 June 2023 £m	30 June 2022 £m
Current	1.5	1.7
Non-current	23.5	25.0
Total Liability	25.0	26.7

(b) Amounts recognised in the income statement

The income statement shows the following amounts related to leases:

	30 June 2023 £m	30 June 2022 £m
Depreciation charge on right of use assets: Buildings	1.8	1.7
Interest expense on lease liabilities: Interest Expense	0.7	0.7

Future minimum lease payments are as follows:

	30 June 2023 £m	30 June 2022 £m
Not later than one year	2.1	1.7
After one year but not more than five years	8.2	6.0
After five years	20.1	19.0

The total cash outflow for leases in the year ended 30 June 2023 was £2.4m (2022: £1.9m).

Seqirus Vaccines Limited

Notes to the financial statements for the year ended 30 June 2023 (continued)

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 (2022: two).

	30 June 2023	30 June 2022
	£m	£m
Aggregate emoluments	0.8	0.7
	30 June 2023	30 June 2022
Highest paid director	£'000	£'000
Total emoluments	0.4	0.4

In addition to the above, there were no share options exercised by the highest paid director (2022: £nil). The company made no contributions to the defined contribution pension scheme of the highest paid director (2022: £nil). No emoluments were paid to the directors 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.

c) Employee benefit expense

	30 June 2023	30 June 2022
	£m	£m
Wages and salaries	38.5	34.6
Social security costs	3.8	3.8
Shares granted to directors and employees	0.5	0.3
Other pension costs – defined benefit plans (note 17)	2.7	2.3
	45.5	41.0

d) Average monthly number of people employed

	30 June 2023	30 June 2022
	Number	Number
Manufacturing, research and development	628	597
Administration	39	27
	667	624

Seqirus Vaccines Limited

Notes to the financial statements for the year ended 30 June 2023 (continued)

10 Inventories

	30 June 2023	30 June 2022
	£m	£m
Raw materials	36.7	32.1
Work in progress	54.7	47.2
Finished goods	11.0	6.6
	102.4	85.9

The cost of inventories recognised as an expense and included in cost of sales amounted to £138.5m (2022: £116.0m)

11 Trade and other receivables

	30 June 2023	30 June 2022
	£m	£m
Prepayments	1.8	1.3
VAT receivable	0.1	3.9
Other tax receivables	1.8	0.6
Receivables due from related parties	0.4	0.4
Loans to related parties	-	19.3
Total receivables	4.1	25.5

Receivables are stated at book value which approximates to their fair value. The large reduction in receivables due to loans from related parties is due to the timing of payments as demonstrated by the decrease in cash shown in note 12. 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.

12 Cash and cash equivalents

	30 June 2023	30 June 2022
	£m	£m
Cash at bank and in hand	2.1	65.3

Seqirus Vaccines Limited

Notes to the financial statements for the year ended 30 June 2023 (continued)

13 Trade and other payables

	30 June 2023	30 June 2022
	£m	£m
Amounts falling due within one year:		
Trade payables	15.8	12.5
Amounts owed to related parties	81.4	11.1
Amounts owed to related parties in respect of group relief	2.1	4.0
Social security and other taxes	2.0	1.0
Accrued expense	3.0	6.5
	104.3	35.1

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 2023 £m	Number of shares	30 June 2022 £m
Authorised				
Ordinary shares of £1 each	100	0.0001	100	0.0001
Issued and fully paid				
Ordinary shares of £1 each	100	0.0001	100	0.0001

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 2023 £m	30 June 2022 £m
Deferred tax assets:		
- Deferred tax asset to be recovered after more than 12 months	0.2	0.1
Deferred tax liabilities:		
- Deferred tax liability to be recovered after more than 12 months	(13.0)	(12.8)
Deferred tax liabilities – net	(12.8)	(12.7)

Seqirus Vaccines Limited

Notes to the financial statements for the year ended 30 June 2023 (continued)

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

	Accelerated tax depreciation	Share based payments	Retirement benefit obligations	Total
Deferred tax (liabilities)/assets	£m	£m	£m	£m
At 30 June 2021	(13.1)	-	0.1	(13.0)
Charged to income statement	0.3	-	-	0.3
At 30 June 2022	(12.8)	-	0.1	(12.7)
Charged to income statement	(0.1)	-	-	(0.1)
At 30 June 2023	(12.9)	-	0.1	(12.8)

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

16 Provision for other liabilities

	30 June 2023	30 June 2022
	£m	£m
Non-current provision for other liabilities	4.5	4.5

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 as both leases finish in 2030 and are 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 2023	30 June 2022
	£m	£m
Pension contributions	2.7	2.3

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, 655 Elizabeth Street, Melbourne, Victoria 3000.

Seqirus Vaccines Limited

Notes to the financial statements for the year ended 30 June 2023 (continued)

19 Capital commitments

Capital commitments at 30 June 2023 which were contracted but not provided for amounted to £12.3m (2022: £8.0m), with £6.3m due within one year and £6.0m due after 1 year but before 5 years. The increase in capital commitments relates to committed future investment in upgrading our upstream manufacturing machines used for harvesting the virus used to create our vaccines.

20 Subsequent Events

Subsequent events have been evaluated through to the date of the financial statements being authorised for issue. There have been no such events identified that require disclosure.

21 Related Parties

The Company is a wholly owned subsidiary within the CSL Limited Group whereby all intercompany transactions are eliminated upon consolidation. All intercompany transactions are made on an arm's length basis. These amounts are shown within the balance sheet being amounted owed to and by Group undertakings. There are no other related party transactions to disclose.