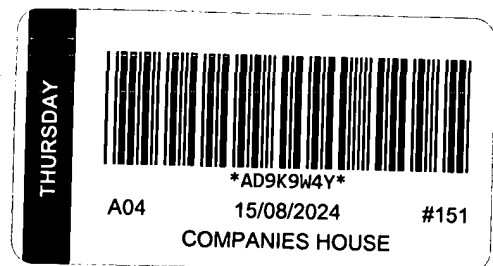


Halcyon Topco Limited

Annual report and consolidated
financial statements

For the year ended 31 March 2024

Registered number 07672785



Contents

Company information	1
Strategic report	2
Directors' report	21
Statement of directors' responsibilities	23
Independent auditor's report to the members of Halcyon Topco Limited	24
Consolidated profit and loss account	28
Consolidated statement of other comprehensive income	29
Consolidated balance sheet	30
Company balance sheet	31
Consolidated statement of changes in equity	32
Company statement of changes in equity	33
Consolidated statement of cash flows	34
Notes	35

Company information

Directors	G Reyes D Oppenheim Vitruvian Directors I Limited Vitruvian Directors II Limited D Gibson P Nicklin FAH Harvey J M Richard
Company Secretary	J Bradshaw
Registered Office	107 Station Street Burton-on-Trent Staffordshire United Kingdom DE14 1SZ
Auditor	KPMG LLP Chartered Accountants and Statutory Auditor EastWest Tollhouse Hill Nottingham United Kingdom NG1 5FS
Company Number	07672785 Registered in England and Wales

Other Information

These Consolidated Financial Statements are presented for the year ended 31 March 2024 for Halcyon Topco Limited and its subsidiaries ("the Group" or "Sciensus"), which are set out in note 13. Comparatives are presented for the year ended 31 March 2023.

Strategic report

The Directors present their Strategic Report for the year ended 31 March 2024. The Directors, in preparing this Strategic Report, have complied with s414C of the Companies Act 2006.

Principal Activities

Sciensus is a Life Sciences Services Group providing patient access, engagement and actionable insight solutions to the pharmaceutical sector across the UK, Europe and US. Specialising in Chronic, Cancer & Rare therapies, for over 30 years, we have proudly sat at the intersection of patients and their medicines, helping patients make the most of their medicine.

As a market leader our unique digital platform combined with over 70 million patient interactions, creates unrivalled data points to develop powerful patient insights. These insights enable us to put the patient at the centre of their therapy, enhancing the patient experience and driving adherence and persistence to prescribed medicine, resulting in improved clinical outcomes. This in turn generates powerful patient engagement and actionable insight – benefitting healthcare providers, physicians, funders and life science companies.

The Group's unique portfolio of services includes, amongst others, patient compliance, patient insight and analytics, pharmacy services, market access and reimbursement, clinical logistics, clinical care, inventory management, BPO services, clinical administration and training and aseptic compounding.

The principal activity of the Company is that of a holding company.

There have been no significant changes in the activities of the Group or the Company during the period.

Business Model

With patients at the focal point of its activities, the Group works with health care providers (including the NHS) and funders, physicians and life science companies to manage and optimise the medicine outcomes for patients.

The Group employs over 1,700 people and serves the following markets:

- **Chronic:** pharmacy services serving the medicine needs of over 230,000 patients at home.
- **Cancer:** Cancer Medicine and Chemotherapy in the Home (Aseptic Compounding to Systemic Anti-Cancer Treatment, serving over 5,000 patients).
- **Rare:** Rare Disease Pharmaceutical Services, turn-key solutions for biotech companies accessing the fast-growing European rare disease market, serving over 6,500 patients.
- **Insight:** provision of insight solutions to the pharmaceutical sector including real world evidence, patient support program and safety & regulatory compliance.

Strategy and Objectives

We recognise the world is changing faster than ever. New technologies have reshaped the way we live, redrawn the healthcare landscape and redefined the expectations of patients everywhere. At Sciensus, we are ambitious in our purpose to pioneer a new era of digitally-enabled patient benefits.

That's why we have an ambitious vision -

To be the global leader in helping each and every patient make the most of their medicine.

Our mission is –

To give patients control of their health through knowledge, choice, convenience and connectivity.

Strategic report *(continued)*

Strategy and Objectives *(continued)*

The Group has created a set of values which shape who we are and what we stand for:

- **We are Passionate about every patient's health**
- **We are Ambitious to be the best**
- **Together we win**

We believe that the Patient should sit at the centre of our strategy and that building a strong service relationship with the patient positions us well within the health eco-system to provide better health outcomes. Our growth plans rest on this patient centricity, a determination to execute to the highest level of quality, earning us the right to deliver further value add services to our customers. Our commitment to excellence has been evidenced through our continued investments in digital solutions including portals for the NHS, Clinicians, Pharmaceutical companies and European hospital pharmacies. We have further invested in our Patient Apps, HCP Portals, Pharma Portal and Online Patient Communities.

Business Review

The year to 31 March 2024 has been another period of significant progress for the business as we continue to invest in sector-leading digital technology. The Directors would like to thank our colleagues, of all specialisms, for their continued dedication and support.

Financial Review

Our financial results are presented from page 28 onwards.

The Group has achieved a 7% growth in Service Income (turnover less cost of goods sold), showing a strong resilience of the business which continued to grow its range of services and the number of patients receiving service, through growth in existing contracts and by winning new contracts. Despite continuing inflation rate challenges, the Group performed well with improved profitability and good cash generation in the year.

Based on recurring figures, turnover for the year was £2,102.6m, compared to the prior year turnover of £2,048.3m showing an increase in turnover of £54.3m (3%).

Cost of sales grew alongside turnover and Gross Profit for the year rose from £139.5m to £149.5m, an increase of £10.0m (7.2%).

Operating profit before goodwill and adjusted items was £19.5m (2023: £16.5m), an increase of 18%. This is driven by improved operational performance and operational stabilisation driving efficiencies.

A continued improvement in cash generation during the year enabled the Group to continue on its digitalisation journey.

The Group has incurred one off adjustments which increased the loss before tax by £3.9m (2023: increased loss before tax by £2.7m) with further details provided in note 3.

After interest payments and one off costs, the loss for the financial year after taxation is £4.0m (2023: £18.4m), which has been transferred to consolidated reserves.

The Group's investment in its digital assets and capabilities is progressing well, with significant investment during the year to create further improvements to the patient experience and outcomes. Costs incurred in the year are included as software within Intangible fixed assets.

Strategic report *(continued)*

Principal Risks and Uncertainties

Cyber security - failure to adequately prevent or respond to a data breach or cyber attack could lead to a financially damaging ransom demand, which could adversely impact our reputation and cause significant disruption to operations. To mitigate against this we have a dedicated Information Security team, supported by a 24 hour Security Operation centre and Incident management. Information security and data protection policies are in place, with mandatory training for all colleagues. Security is also embedded throughout the digital product lifecycle. Furthermore, the business has achieved ISO 27001 certification.

Regulatory challenges - the international nature of our business creates regulatory challenges, where failure to comply with anti-bribery and other governmental laws (whether directly or through acts of others, intentionally or through inadvertence) could, among other things, harm our reputation. While our staff are trained on the Foreign Corrupt Practices Act, the United Kingdom Bribery Act and other anti-corruption laws and we have procedures and controls in place to monitor compliance, situations outside of our control may arise that could potentially put us in violation of these regulations and thus negatively impact our business. Within the group we have ethics policies which mandate rules of conduct to all employees, including all senior executives and directors. We maintain a confidential telephone and web-based hotline where employees can seek guidance or report potential violations of laws, Halcyon Topco policies or rules of conduct. Policies are available on our Intranet "The Hub" within the document management system.

Economic Risk - inflation headwinds that have not been seen in the UK for almost 30 years, has put pressure on our cost base in particular wage and logistics costs. Whilst there are signs of some easing in the inflation rates, higher inflation will continue to be a key risk over the next 12 months. Despite these pressures we continue to show good growth rates. Our strategy to mitigate this is to streamline processes and improve productivity across key functional areas of the business utilising our technology platform Financial Risk Management.

Financial Risk Management

The Group has exposure to the following risks from its use of financial instruments:

- Liquidity risk
- Credit risk
- Market risk

The Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk and the management of capital are set out below.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group's overall financial risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Financial risk management is carried out under policies approved by the Board of Directors. The Group identifies, evaluates and hedges financial risks. The Group also provides written principles for overall risk management as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, use of derivative financial instruments and the investment of excess liquidity. The Integrated Governance Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Strategic report *(continued)*

Principal Risks and Uncertainties *(continued)*

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investment securities. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and countries in which customers operate, has less of an influence on credit risk.

Derivative counterparties and cash transactions are limited to high-credit-quality financial institutions and the Group has policies that limit the amount of credit exposure to any one financial institution.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Statement by the directors in performance of their statutory duties in accordance with Section 172 of the Companies Act 2006

The Companies (Miscellaneous) Reporting Regulations 2018 introduced a new statutory reporting requirement for financial reporting years beginning on or after 1 January 2019. As a result, the directors of Halycon Topco Limited are required to give a statement which describes how the directors have had regard to the matters set out in section 172(1) of the Companies Act 2006 when discharging their duty under that section.

The directors acknowledge and understand their duties and responsibilities, including that, under section 172 of the Companies Act 2006, a director of a company must act in the way he or she considers, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- (a) The likely consequences of any decision in the long term;
- (b) The interests of the Group's employees;
- (c) The need to foster the Group's business relationships with suppliers, customers and others;
- (d) The impact of the Group's operations on the community and the environment;
- (e) The desirability of the Group maintaining a reputation for high standards of business conduct; and
- (f) The need to act fairly as between members of the Group.

The Group's objective is to build a growing, sustainable, profitable and cash generative business which consistently provides returns on capital employed significantly ahead of its cost of capital, through digitisation, through empowerment of patients and commitment to the values of Passion, Ambition and "Together we win".

The Group has built leading market positions by understanding its target industry sectors and applying extensive expertise to design and implement customised patient care solutions that address industry-specific supply chain requirements. Halycon's knowledge of supply chain functions and sector expertise allow the Group to develop more cost-effective solutions for them, create competitive advantages for its customers, and put Halycon in a strong position to grow its business for the long term.

Strategic report *(continued)*

Stakeholder Relationships and Engagement

Engaging with our stakeholders and continually working towards strengthening these relationships is fundamental to the long-term success of the Group. We are focused on maintaining effective working relationships with all stakeholders, including shareholders, customers, suppliers, regulatory authorities and our employees. We align these stakeholder relationships with the Group's purpose. This is evidenced by documents and practices such as the ethics guide, supplier code of conduct, and the whistle-blowing policy. We have developed strong relationships with both customers and suppliers by adopting contractual agreements and having approval processes in place.

Colleagues

Our colleagues are key to the achievement of our growth and we build positive relationships with each other, respecting our differences and working hard to make sure everyone's engaged, motivated, developed, rewarded and recognised.

New and existing colleagues are recruited, selected, developed and promoted on merit, irrespective of race, sex, religion, age, disability or any other status protected by law or not related to job performance.

Our policies include:

- remunerate colleagues, whatever role they perform, based on the value of their work and, where practicable, on the success of the business,
- support, encourage and continually develop our teams, offering powerful, flexible training programmes. These include professional, leadership, self-development and apprenticeship programmes, as well as digital development, continuous improvement, clinical and role-based skills training,
- engagement of colleagues with effective two-way communication keeping them informed and involved, measuring our success through engagement surveys,
- recruitment - undertaking inclusive recruitment practices to ensure the right person is selected for the job, through fair and balanced assessment,
- development opportunities - develop the capabilities of all employees fairly to further progress and enable promotion from within, offering a management development programme for leaders at all levels,
- provide a wellbeing offering which connects and engages colleagues, providing support with mental, physical, social and financial wellbeing.

Equality, diversity and inclusion is at the heart of our purpose and values. Our defined behaviours ensure we continue to enhance our culture by valuing difference and fostering respect. Significant advancements have been made with ED&I, with the introduction of the National Equality Standards assessment.

Corporate Social Responsibility

Our Corporate Social Responsibility strategy reflects our commitment to our patients, our customers, our colleagues, the environment, the community, and ethical behaviour.

We have an ongoing commitment to operate in a socially responsible way. We conduct our business fairly and honestly and recognise that the long-term health of our organisation is directly connected to the health of the environment and local communities. We focus on supporting a sustainable society by sourcing where possible environmental solutions that minimise our footprint and follow our internal environmental policy. We also support and interact with the local community to add value to society, through charitable fundraising, volunteering and community partnerships. Halcyon is committed to ensuring that any business growth or change has minimal environmental impact and that all activities are conducted by well-trained and appropriately qualified employees.

The Group is increasing commitment to place environmental and social purpose at the heart of the business and has made significant progress in developing its ESG programme. A governance structure for the ESG programme has been launched. The Group's ESG programme will set out near term targets for green-house gas emissions across scopes 1, 2 & 3, plan to improve inclusion and diversity across the business, and enable robust and transparent ESG reporting in regular intervals.

Strategic report *(continued)*

Non Financial and Sustainability Impact Statement

Task Force on Climate-Related Financial Disclosures (TCFD)

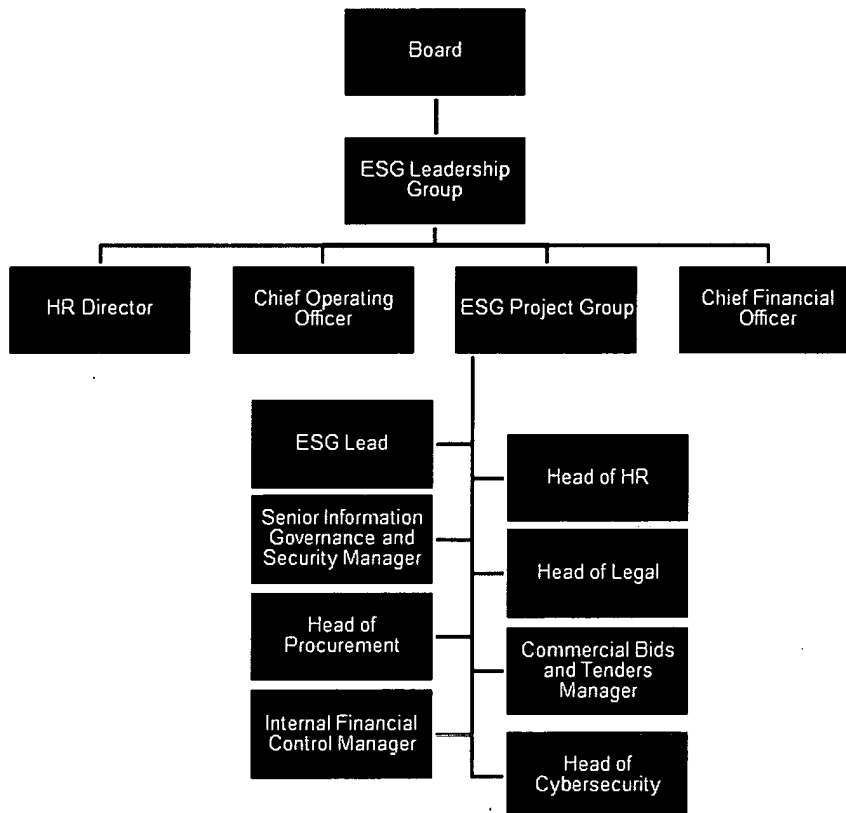
The framework set out by the Taskforce on Climate-Related Financial Disclosures (TCFD) is there to improve and increase reporting of climate related financial information. The directors are aware of their responsibility to comply with the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 and present the TCFD disclosures below to meet those obligations.

The below statement reflects a summary of the progress made to date towards our goal of incorporating climate-related risk, opportunity identification, and management into our overall business strategy which has been analysed in two different climate scenarios.

We will keep working with transparency and commitment to track our Carbon Reduction Projects and Strategies to become Net Zero by 2045, to contribute to a low-carbon transition economy. By “Net Zero” the Group aims to reduce our emissions to as close to zero as possible and offsetting any that remain. This has been aligned with our ESG strategy to help build a strong and resilient business in the UK and Europe. This is a challenging path; however, we are committed to being part of the world's climate action. We will make every effort to help limit the global temperature increase up to 1.5°C through responsible governance because we care for our people, customers, and communities.

Governance

The board's oversight of climate-related risks and opportunities



The Board of Directors has the ultimate responsibility for overseeing our climate-related risks and opportunities, which are reviewed every quarter. The Board retains oversight responsibility to the ESG Leadership Group, to lead the commitment to address climate change. The Group mentioned above must report back every quarter to the Board.

Strategic report *(continued)*

Task Force on Climate-Related Financial Disclosures (TCFD) *(continued)*

ESG Leadership Group

The main purpose of this Group is to represent the Board in defining the Company's strategy relating to ESG matters. Additionally, it ought to review the practices and initiatives of the Company relating to ESG concerns ensuring that they remain effective and up to date. To complete its duties and responsibilities accordingly, the ESG Leadership Group has committed to:

- Oversee and develop the Sciensus' ESG strategy, as well as update, implement, and monitor the strategy action plan at regular intervals. Any change within the ESG strategy must be approved by the Board.
- Monitor ESG compliance and guarantee others' commitment and management regarding climate-related risks and opportunities, like a joint effort done with the Risk Committee.
- Ensure the ESG action plan is understood and well-communicated to the different Sciensus stakeholders to share the best practices and generate new alliances to strengthen the strategy.

Additionally, the ESG Leadership Group has developed the Sciensus Climate Pledge:

At Sciensus, we want to generate a positive impact on the lives of our people, customers, and communities, and we're taking responsibility as a leading Pharma Services business, to actively address climate change. Our goal is to be Net Zero by 2045.

In summary, our approach to climate governance underscores the Board's determined commitment to overseeing climate-related matters. The climate-related actions reflect the Board's and the ESG Leadership Group's commitment to the UK and global agenda for becoming Net Zero by mid-century. We ensure that climate-related risks and opportunities are addressed with the utmost diligence and expertise through delegation, inclusive discussions, and specialized leadership.

Management's role in assessing and managing climate-related risks and opportunities.

We have designated specific climate-related responsibilities for our management-level positions, responsible for reporting directly to the Board. These management positions are part of the Executive Team and have created the ESG Leadership Group, including the Chief Operational Officer (COO), Chief Financial Officer (CFO) and HR Director. Additionally, the following table shows the different climate roles and responsibilities of the management positions within the ESG Leadership Group.

	Climate Role	Climate Responsibilities
COO	Takes ultimate responsibility for climate-related risks and opportunities, and other climate initiatives.	Helps prioritise climate reduction and climate-related risks and opportunities handling as part of the company strategy.
CFO	Supports in the assessment of the financial implications of climate-related risks and opportunities.	Sets and approves budgets and costs of the financial implications of the climate-related risks and opportunities.
ESG Lead	Leads the business on climate-related matters.	Creates and implements all climate and environmental strategies. Provides guidance and advice on environmental matters and initiatives.
Head of Legal	Manages and oversees the Risk Register.	Ensures teams keep risk registers up to date.

Strategic report *(continued)*

Task Force on Climate-Related Financial Disclosures (TCFD) *(continued)*

Strategy

We have evaluated the climate-related issues that are most important to us in the short, medium, and long term. Our focus is on addressing these aspects as part of our day-to-day operations. This approach helps our Board and senior management understand the significance of these materiality assessments and effectively manage any impacts leading to enhanced decision-making to address any climate-related risks and opportunities. Our analysis confirms our commitment to acting in response to plausible scenarios.

Climate-related risks and opportunities the organisation has identified over the short, medium, and long term.

In our assessment of climate-related risks and opportunities, we have employed the TCFD risk framework. TCFD encompasses the following categories:

- **Physical risks** are analysed to acknowledge any acute or chronic risks that might result from the physical impact of climate change across our company.
- **Transition risks**, which are related to transitioning to a low-carbon economy. They involve policy and legal, technology, market, and reputation risks.
- **Climate opportunities**, which seek positive impact from climate change on the organisation through energy sources, resource efficiency, new products and services, new markets, and resilience opportunities. 9

Within these categories, we have identified a total of 41 specific climate-related risks and opportunities that could impact our organisation across three distinct time horizons. After a detailed assessment, we have selected seven key climate-related risks and opportunities. Subsequently, the ESG Leadership Group members assessed and ranked the top seven risks and opportunities based on frequency, likelihood, and materiality criteria. We have utilized this assessment to identify the most significant risks for the current period and to strategize on mitigating measures for the coming decades. Furthermore, we will delve into the analysis of their implications on business operations, strategy formulation, and financial planning in the subsequent section, as they hold paramount importance for our ongoing business pursuits.

The climate-related risks and opportunities are assessed through the following time horizons:

Short-term	Medium-term	Long-term
2023-2027	2027-2033	2033-2045

To define our materiality assessment, we have determined the following criteria to consider low, medium, or high financial risks. The figures are shown below:

- Low financial risk: up to £100,000
- Medium financial risk: £100,000 - £500,000
- High financial risk: more than £500,000

Strategic report (continued)

Task Force on Climate-Related Financial Disclosures (TCFD) (continued)

The following table shows a description of the seven climate-related risks and opportunities:

TRANSITION RISK TYPE	RISK DESCRIPTION	TIME FRAME
Policy and Regulation	Implementation and increase of carbon tax to plastic packaging.	Short term
Technology	Transition to electric fleet to decrease Sciensus carbon emissions.	Medium and Long term
Market	Alignment with our current and potential tenders.	Short term
Reputation	All customer feedback (NHS and private pharma companies) is a priority.	Short term
PHYSICAL RISK TYPE	RISK DESCRIPTION	TIME FRAME
Chronic	Change in weather patterns: increased in mean temperature or sea level rise, will impact our physical assets (infrastructure and vans).	Medium and Long term
Chronic	Changes in weather patterns, such as an increase in mean temperature, will impact our employees' productivity and well-being.	Short term
OPPORTUNITY TYPE	OPPORTUNITY DESCRIPTION	TIME FRAME
Energy Source	Installation of solar panels.	Short term

Impact of climate-related risks and opportunities on the business, strategy, and financial planning.

The following tables will describe the impact of the climate-related opportunities and transition and physical risks on business and strategy areas.

Transition Risks

Policy and Regulation Risk

Implementation and increase of carbon tax on plastic would have an impact on the plastic packaging we use on the medicines that we deliver daily.

Impact on Strategy and Business Model

Products and Services

By 2045, we will source 100% of packaging materials from recycled, renewable, or responsibly sourced content. In addition, we will be aligned with the UK and EU law on using single-use plastic as well as supporting our climate pledge to become Net Zero.

Investment in R&D

Increased investment in researching bio-degradable packaging will save the cost of paying a high increased carbon tax. The new key findings will lead us to have eco-friendly practices that lead us to a fair and just transition to a low-carbon economy.

Strategic report *(continued)*

Task Force on Climate-Related Financial Disclosures (TCFD) *(continued)*

Impact on Financial Planning

Direct Costs

The carbon tax will likely increase the production costs, which means an increase on direct costs, because of the amount of single-use plastic that we rely on for our operations.

Indirect Costs

We are aware of the new packaging regulations, and we are investing in a new platform to monitor, report, and verify the amount of plastic used. Hence, we are expecting an increase in our indirect costs.

Technology Risk

Climate change challenges us to accelerate our transition toward low carbon emissions technologies and invest in new technologies such as electric fleets in the UK and the Netherlands to decrease Sciensus GHG emissions.

Impact on Strategy and Business Model

Operations

As part of the transition to the electric fleet, we are aware that an effective implementation of the project will reduce any disruption to our deliveries and our reputation. This is related to acquiring enough vehicles to tackle any range limitations and issues with the EV charging points. We are looking for solutions that create value for our patients and do not generate operation disruptions.

Impact on Financial Planning

Direct costs & Capital Expenditure

By 2030, one of the biggest investments that Sciensus will make is going to be the transition to an electric fleet, which will cost an estimated £400,000 at our two national logistics centres. We have considered that acquiring the new electric fleet as well as the infrastructure and maintenance of the charging points will impact our financial planning for the next decade; however, we know this investment will assure our Net Zero commitment and reduce our reliance on fossil fuels and any future taxes that might come with them.

Market Risk

Alignment with our current and potential tenders, consumers, and market share. We need to be aligned and up to date with the NHS eco-credentials. Accountability in every step of our Carbon Reduction Plans, which includes planning, implementation, and monitoring. Additionally, disclosing climate-related reporting standards. Doing this will let us be ahead of our competitors and will help to win new consumers and maintain our current portfolio. If there is no action, we could lose our consumers and market share.

Impact on Strategy and Business Model

Products and Services & Operations

We are committed to becoming Net Zero by 2045. We are dedicated to being compliant with our ESG plan by disclosing our Carbon Reduction Plan, TCFD, and other sustainable standards required. Our sustainable strategy has been adapted and reviewed by the ESG Leadership Group to maintain our responsibility with our patients, customers, communities, and the climate. This involves the engagement of different senior management levels which are giving their input, so the strategy and business model adopt an ESG approach.

Strategic report *(continued)*

Task Force on Climate-Related Financial Disclosures (TCFD) *(continued)*

Supply Chain

Any disruption in our supply chain could damage our performance and shares in the market. Then, assuring that our suppliers accomplish our requirements with transparency leads us to nurture our market share, and increase brand loyalty.

Impact on Financial Planning

Indirect Costs

To maintain outstanding service delivery, we have committed and adhered to strict climate policies, standards, and regulations. This will increase indirect costs and we may come under pressure to ensure the effective performance of our company in the market and for our current and potential tenders requirements.

Reputation Risk

All customer feedback (NHS and private pharma companies). It is urgent to promote our transition to low carbon strategies, and its immediate actions.

Impact on Strategy and Business Model

Products and Services

Our customer perception and feedback are essential to improve our strategy and business performance. Also, delivering outstanding service to our clients like NHS, will lead us to continue working with them in the short, medium, and long-term. Any feedback on our service should help us to improve our performance, trust, and credibility so we could continuously reinforce our action plan.

Impact on Financial Planning

Revenue

If we do not have a good public image, we could experience a drop in our revenue and less chance of winning new tenders. More and more climate regulations are becoming essential when selecting a supplier. Any bad practice could significantly affect the company's revenue. Thus, our Net Zero roadmap and climate actions are part of our mainstream as a business. We share and reinforce our environmental actions and sustainable commitments with our customers because trust and credibility are essential to us.

Indirect Costs

We will allocate budget for PR and Comms Campaigns to create and develop awareness and gain trust among our customers and stakeholders. This action will involve working with outsourced agencies to improve our communications strategy and action plan. This additional budget will increase our indirect cost, so we can inform our clients about our climate action plan.

Physical Risk

Change in weather patterns: an increase in mean temperature and flooding will impact our physical assets such as infrastructure and logistics assets. Extreme heatwaves or flooding are challenges that we are facing already, that could disrupt our business. The impact of extreme temperatures and flooding is considered below in more detail.

Impact on Strategy and Business Model

Products and Services

Our services could be threatened, however we are training our people to address plausible climate scenarios, so climate extreme events won't disrupt our healthcare service, and looking for several alternatives that guarantee the excellence of our service.

Supply Chain

The supply chain disruption could be one of the areas more affected in our two main sites in the UK, the other sites in Europe like the Netherlands, Germany, Switzerland, Italy, and others. These events could cause a delay in our medicine logistics. For instance, overheating of vehicle engines or disruption in highways due to flood events which would impede our vehicle mobilisation. In 2024, we are developing a new supplier strategy to ensure that external events won't disrupt our main activities to distribute the medicine and to engage with new suppliers capable of providing us with the necessary materials.

Strategic report *(continued)*

Task Force on Climate-Related Financial Disclosures (TCFD) *(continued)*

Operations

There could be damage and losses in our physical assets such as our facilities, logistics assets, equipment, and other infrastructure like charging points for the electric vehicles. The increase of flooding in the UK is a significant risk for our physical sites, and our logistics assets. Therefore, we are designing and evaluating new plans to maintain continuity of our services.

Impact on Financial Planning

Indirect Costs

The different climate scenarios warn us to prepare and develop resilient plans that allow us to thrive in the case of such extreme weather events. An increase on indirect costs will include maintenance of our equipment, facilities (assets), and develop healthy plans for our employees so everyone is prepared to tackle any of the plausible climate events.

Direct Costs

We will also see an increase in direct costs affecting the medicine storage in our warehouses or our logistics assets if they are impacted by any of the extreme climate events.

Revenues

Any of these extreme events could affect our revenue by disrupting the delivery of our healthcare services, causing a loss in our future revenue.

Chronic

Changes in weather patterns, such as an increase in mean temperature, will impact our employees' productivity and well-being.

Impact on Strategy and Business Model

Products and Services

The health of our employees could be affected across the UK and European countries where we operate. This could result in disruptions to our patient services due to reduced employee productivity caused. To mitigate this risk, we will need to enhance cooling systems across our sites to ensure the safety of our employees.

Impact on Financial Planning

Capital Expenditure and Indirect Costs

We will invest in efficient cooling systems for our sites to safeguard the well-being of our employees. Also, we will invest in efficient isolation materials for retrofitting our sites. However, acquiring these materials and equipment will increase capital expenditure and indirect costs. Nonetheless, this investment will ensure the productivity of our employees and reduce the risk of operational disruptions.

Revenues

Our revenue could be adversely affected if we fail to deliver healthcare services on time due to our employees' compromised health conditions. In such a scenario, delays in services may occur, leading to a direct decrease in revenue.

Opportunities

Energy Source

Installation of solar panels on two warehouses.

Impact on Strategy and Business Model

Mitigation activities and Operations

We have decided to install solar panels in two of our main sites in the short term in the UK and we are evaluating to do the same for the Swiss sites. This is a significant step to show our commitment and climate stewardship in the healthcare service industry. Moreover, the investment is a tangible action of our climate pledge. Another positive outcome is that if we increase our energy independence, we can ensure continuous operations (if there are disruptions), and in the medium term, we will decrease by 50% of energy usage from the grid.

Strategic report *(continued)*

Task Force on Climate-Related Financial Disclosures (TCFD) *(continued)*

Impact on Financial Planning

Capital Expenditure

Installing solar panels required an initial investment and upfront costs of £400,000. The expected return of this project will be seen in the medium term. Additionally, the deployment of solar energy in the UK assures a positive income where we will reduce 50% of our energy usage, and that will decrease our electricity expenditure.

Access to Capital

We are reviewing different options to install and deploy solar energy. Also, we are reviewing other alternatives like access to the UK Government's incentives to deploy renewable energy. We have a strong aim and commitment to contribute to the UK Net Zero transition.

Resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

These climate-related risks and opportunities detailed above have been analysed under two distinct plausible climate scenarios. We selected these scenarios to gain insights into the potential consequences of climate change across three different timeframes. The outcomes will guide us in devising resilient strategies to mitigate climate-related risks and capitalise on opportunities in the coming decades. A summary of each selected climate scenario is set out below:

- The **'Delayed Transition'**, set by the Network for Greening the Financial System (NGFS), portrays a world marked by global climate inaction until 2030. Consequently, stringent new policies will be implemented to halve greenhouse gas (GHG) emissions by 2040. These urgent measures will become necessary as nations grapple with significant social and economic shocks resulting from a decade of inaction. This scenario aims to cap global warming at 1.8°C by 2050, reducing it to 1.5°C by 2100.
- The **'Current Policies'** scenario by the NGFS, depicts a lack of ambition from both the governments and the private sector. Consequently, current global commitments (e.g., the Paris Agreement) lose momentum, and there is neither a shared interest nor a collective effort to achieve Net Zero by mid-century. Furthermore, climate inaction will result in global warming reaching 2°C by 2050 and potentially increasing to at least 3°C by the end of the century. Therefore, governments will need to confront the adverse consequences of social inequality, climate-induced migration, and the need for robust adaptation plans.

Strategic report *(continued)*

Task Force on Climate-Related Financial Disclosures (TCFD) *(continued)*

Transition Risk Type	Mitigation Actions
Policy and Regulation	We are creating a plan to qualify new types of suppliers and guarantee their sustainability processes, so we do not rely on plastic packaging, especially single-use plastic. Additionally, we will invest in secondary materials that produce less environmental impact, and that have bio-degradable components.
Technology	We are carefully planning the transition to an electric fleet and overseeing the investment required to start this plan in 2027. Also in our plan, we are considering the installation of charging points in our main offices and warehouses for electric vehicles, and we are contemplating the number of new drivers that we will need, as well as seeing any challenge with range limitations that could be presented by this shift. All in all, for us it is important to reduce our carbon emissions while maintaining reliable healthcare services to our patients.
Market	We are committed to becoming Net Zero and reinforcing our climate pledge by disclosing different sustainability reports, where we demonstrate our accountability and transparency to achieve our goal.
Reputation	Currently, we are developing and delivering various climate and sustainability reports. The ESG Leadership Group is reviewing a plan to promote and create awareness among our different stakeholders about the good environmental practices that we are taking into place as well as other climate action projects developed in 2023. We are actively collaborating with different Sciensus departments to guarantee that our employees learn about the climate pledge and its roadmap. We need leadership and commitment from every corner of the company to communicate our low-carbon strategies. Therefore, we encourage our employees to listen to our customers, and understand the customers' public perception of us, so the ESG Leadership Group can develop and communicate appropriately with all the stakeholders to share our compliance with climate regulations.

Physical Risk Type	Mitigation Action
Chronic	We implemented appropriate health measures to reinforce our employees' well-being and productivity due to the extreme heat waves every summer and increased flooding areas during rainy seasons in the UK and in Europe. In addition, we have emergency plans to rescue our people and vans if they are facing any flooding in the way while delivering products in the different countries where we operate.

Opportunities	Benefits
Energy Source	If we deploy solar energy in two of our main facilities, we estimate we can reduce by 50% our energy usage. Also, this means that we reduce our reliance on fossil fuels and most important we will decrease our GHG emissions. We want to align our climate pledge with the UK sustainable goals and with our customers' goals like the NHS climate pledge by 2045. We are proud to take this step shortly and ensure our business operations through the deployment of renewable energy.

We have reviewed the different climate-related risks and opportunities. After a detailed materiality assessment, we have prioritised our climate action plans and low-carbon strategies to guarantee our healthcare services to our customers and patients. We have reviewed two climate scenarios that helped us to be better prepared and become resilient to tackle climate change and become Net Zero by 2045.

Strategic report *(continued)*

Task Force on Climate-Related Financial Disclosures (TCFD) *(continued)*

Risk management

The organisation's processes for identifying and assessing climate-related risks.

During the year to March 2023, we worked on a plan for identifying climate-related risks and opportunities. Every risk, including climate-related risks, will be added to the Sciensus Risk Register System. All of them are reviewed quarterly and informed to the Board members. The ESG Project Group and ESG Leadership Team will oversee all the risks related to climate matters.

The organisation's processes for managing climate-related risks.

The ESG Lead is responsible for gathering and distributing any climate-related risks to the ESG Leadership and the ESG Project Groups. Once risks are allocated, the ESG Groups will take climate action over any climate-related risks. In addition, the two Groups will involve any Sciensus department, if applicable, when a climate risk is related to a specific business area. In that case, the two Groups are responsible for monitoring and helping the progress to mitigate the assessed climate-related risk.

How processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.

Once climate-related risks are identified these will be entered into the risk register. Once in the register, all risks are monitored by the respective department leads with the risk team having oversight to ensure compliance. The ESG Lead is responsible for bringing all the register climate risks to the ESG Project and Leadership Groups. Once the level of risk is confirmed the ESG Leadership Group will report these to the Board as well as the actions we are taking to mitigate. There have not been any difficulties in integrating climate-related risks into the overall risk management process.

Metrics and Targets

By analysing the plausible climate scenarios, we are updating our climate strategy and validating this for the Board to ensure our commitment to become Net Zero by 2045. We have reported our carbon footprint emissions for the last financial year aligned with the GHG Protocol Methodology.

We have measured our GHG emissions for Scope 1, Scope 2, and Scope 3 (those appropriate for this report). These are generated across all our sites under Halcyon Topco Limited. Below, the following tables illustrate the carbon footprint for FYR 24, and a comparison of the Sciensus' carbon footprint in the UK, between the Financial Year Report 2023 (FYR23) and Financial Year Report 2024 (FYR24).

Strategic report *(continued)*

Task Force on Climate-Related Financial Disclosures (TCFD) *(continued)*

Carbon Footprint Emissions Breakdown for Financial Year 2024

Scope 1	Emissions Total (tCO ₂ e)
1. Energy - Natural Gas (kWh)	56.3
1. Transport - Company Owned Vehicles	5488.5
Total (Scope 1)	5,544.8

Scope 2	Emissions Total (tCO ₂ e)
2. Energy- Electricity kWh	572
2. Energy- Generated Electricity kWh	20.7
2. Transport - Electric Car	2.9
Total (Scope 2)	595.6

Scope 3	Emissions Total (tCO ₂ e)
3.01 Purchased Good and Services	326,144
3.01 Water Purchased	0.5
3.02 Capital Goods	n/a
3.03 Fuel and energy-related activities	1,704.5
3.04 Deliveries (Upstream)	93.1
3.05 Waste generated in operations	6
3.06 Business Travel	199.1
3.07 Commuting and Homeworking	n/a
3.08 Upstream Leased Assets	n/a
3.09 Downstream Logistics	29.4
3.10 Processing of Sold Products	n/a
3.11 Use of Sold Products	n/a
3.12 End-of-Life Treatment of Sold Products	n/a
3.13 Downstream Leased Assets	n/a
3.14 Franchises	n/a
3.15 Investments	n/a
Total (Scope 3)	242,680.1

Scope	Total Carbon Emissions (tCO ₂ e)
Scope 1	5,544.8
Scope 2	595.6
Scope 3	328,225
Total Emissions	334,365

Carbon Footprint comparison only for the UK operations:

Scope/Emission	April 22 - March 23	April 23 - March 24
Scope 1 (tCO ₂ e)	5,412	5,545
Scope 2 (tCO ₂ e)	264	595
Scope 3 (tCO ₂ e)	22,651	328,225
Total Carbon Footprint (tCO₂e)	28,327	334,365

Strategic report *(continued)*

Task Force on Climate-Related Financial Disclosures (TCFD) *(continued)*

Targets used to manage climate-related risks and opportunities and performance against targets.

We corroborate our commitment by making public our climate pledge to tackle climate change in favour of the planet, our investors, our shareholders, our patients, and our communities. Our ESG Leadership Group has confirmed that our baseline year is 2023. Hence, we present our targets as milestones to achieve our carbon goals:

- We commit to becoming Net Zero by 2045.
- We will reduce our carbon emissions and by including these targets in our near-term trajectory:
 - By 2033, we will have reduced a total of 3020 tCO₂e by transitioning our entire fleet to electric vehicles.
 - By 2034, we will save 46 tCO₂e by installing solar panels at our Fifth Avenue Site and switching to renewable grid electricity.
 - By 2025, reduce 172 tCO₂e of the entire fleet by replacing it with next generation vehicles.

We conclude that with our dedication to transitioning to renewable energy sources such as solar panels and adopting electric fleets, this exemplifies a proactive stance in addressing climate change. By setting the ambitious target of achieving Net Zero emissions by 2045, the group showcases its dedication to environmental sustainability and aligning with the goals outlined in the Task Force on Climate-related Financial Disclosures. While the reliance on plastic packaging presents a notable risk, the group's proactive efforts to mitigate this impact through potential alternatives and recycling initiatives demonstrate a commitment to reducing its carbon footprint. Moreover, with our facilities situated in the UK, where the risk of flooding and extreme temperatures is a pressing concern, the group's focus on fortifying its infrastructure against such hazards underscores a forward-thinking approach to climate resilience.

As Sciensus navigates the complexities of climate change, this inaugural TCFD report marks a pivotal step towards transparency, accountability, and resilience. By integrating sustainable practices into its operations and embracing renewable energy solutions, the company not only mitigates environmental risks, but also positions itself as a leader in the transition to a low-carbon economy. With a clear roadmap towards Net Zero emissions by 2045 and a dedication to addressing climate-related challenges, the group sets a precedent for the broader industry, demonstrating that environmental stewardship and business success are not mutually exclusive but rather integral components of a sustainable future. Through continued innovation, collaboration, and adaptation to evolving climate dynamics, the pharmaceutical sector can forge a path toward a greener, more resilient future for generations to come.

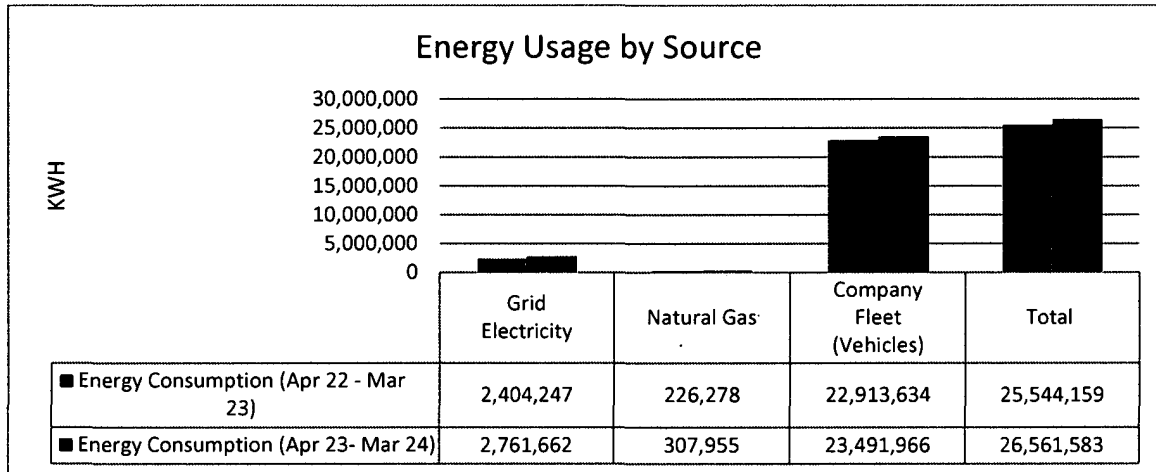
Streamlined Energy and Carbon Reporting

Energy Use and Carbon footprint

The data below highlights the energy used by Halcyon Topco Limited for the year to 31 March 2024. Measurements are in Kilowatt hours and tonnes of CO₂ equivalent. Emissions have been split by scope and totals recorded.

Type of activity	Energy Consumption	Measurement Unit	GHG Emissions	Measurement Unit
Grid Electricity	2,761,662	kWh	595	t CO ₂ e
Natural Gas	307,955	kWh	56.3	t CO ₂ e
Company Fleet (Vehicles)	23,491,966	kWh	5,488.7	t CO ₂ e
Total	26,561,583	kWh	6140	t CO₂e

Strategic report (continued)
Energy Use and Carbon Footprint (continued)



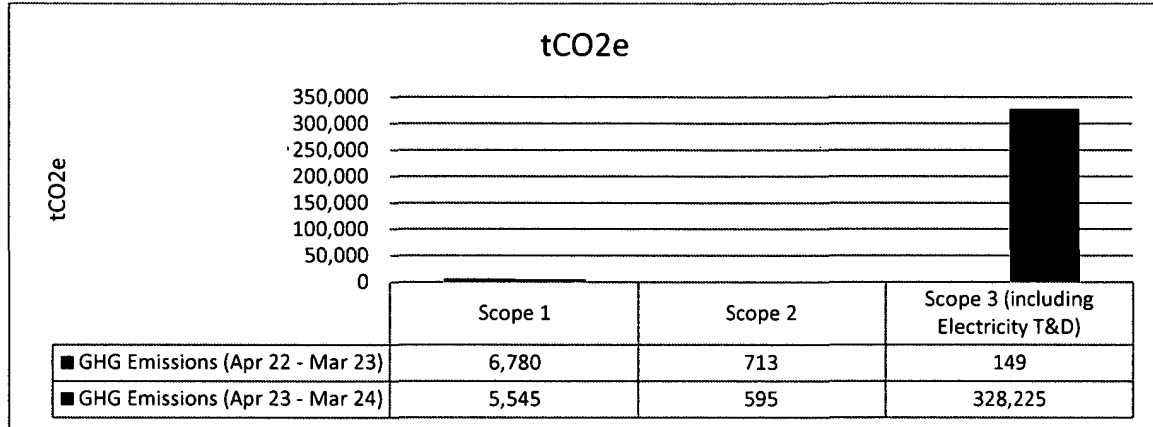
Energy usage in the prior year to 31 March 2023 is below:

Type of activity	Energy Consumption	Measurement Unit	GHG Emissions	Measurement Unit
Grid Electricity	2,404,247	kWh	713	t CO ₂ e
Natural Gas	226,278	kWh	45.77	t CO ₂ e
Company Fleet (Vehicles)	22,913,634	kWh	6734.1	t CO ₂ e
Total	25,544,159	kWh	7,493	t CO₂e

Emissions are categorised into three groups or 'scopes':

- **Scope 1:** Direct emissions that result from activities within your organisation's control. This might include on-site fuel combustion, manufacturing and process emissions, refrigerant losses and company vehicles.
- **Scope 2:** Indirect emissions from any electricity, heat or steam you purchase and use. Although you are not directly in control of the emissions, by using the energy you are indirectly responsible for the release of CO₂.
- **Scope 3:** Any other indirect emissions from sources outside your direct control. Examples of scope 3 emissions include purchased goods and services, use of sold goods, employee commuting and business travel, outsourced transportation, waste disposal and water consumption.

Strategic report *(continued)*
Energy Use and Carbon Footprint *(continued)*



The metric chosen to normalise their emissions was based on the number of employees and the intensity ratio is detailed below.

Normalising Metric – Total number of deliveries made	1,557,268	Intensity Ratio FY 2023 - 2024	0.2145	tCO2e per delivery.
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The government issued “Greenhouse gas reporting: conversion factors 2023” was used to covert kWh to tCO2e. The data is provided within the evidence pack. Data was taken between the dates of April 2023 and March 2024. Halcyon Topco Limited are reporting on all the required fuels sources as per the SECR requirements. Data was acquired from the number of deliveries made using averages of CO2 emitted per delivery. Scope 3 emissions are business travel, waste, water purchased, T&D losses from grid electricity and supply chain (top 20 by spend).

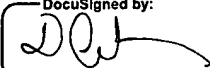
The normalising metric used in the year to 31 March 2023 was total square footage of the estate, size being 193.9 thousand sqft. Carbon intensity was calculated at 41.6 tCO2e per 1000 sqft

Principal Energy Efficiency Actions

Halcyon Topco are dedicated to energy and carbon reduction across the business. During the reporting period Sciensus have:

- Committed to Net Zero targets and published our Carbon Reduction plan
- Hybrid working – reducing amount of employee emissions from travelling to and from work
- Continued delivery route optimisation
- Continued review of live driver feedback achieving more efficient driving styles
- Average deliveries per route have increased due to continuous initiatives
- Signed renewable energy(electricity) agreement from 2025
- Begun procurement of solar panels for our two National Logistics Centres

The Strategic Report was approved and authorised for issue by the Board and was signed on its behalf on 27 June 2024.

DocuSigned by:

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D Gibson
Director

Directors' report

The Directors present their Annual Report on the affairs of the Group, together with the Financial Statements and independent auditor's report for the year ended 31 March 2024. Under the terms of the Companies Act 2006, the Directors' Report is required to contain certain statutory and other information. The Directors have incorporated the business review by cross-reference, as permitted by the Companies Act 2006.

Directors

The names of the current Directors are set out on page 1. Those who have served in office during the year have been as follows:

P Nicklin
D Gibson
S Sheridan (resigned 30 April 2024)
D Oppenheim
Vitruvian Directors I Limited
Vitruvian Directors II Limited
G Reyes
JM Richard
FAH Harvey

Certain directors benefited from qualifying third party indemnity provisions in place and qualifying pension scheme indemnity provisions during the financial year and at the date of this report. The Company provided qualifying third party indemnity provisions to certain directors of associated companies during the financial year and at the date of this report.

Results and Dividends

The results of the Group for the year ended 31 March 2024 are set out on page 28 and discussed in the Strategic Report on pages 2 to 20.

The Group has not paid any dividends during the year (2023: £nil). The Directors do not recommend the payment of a final dividend.

Political and Charitable Donations

The Group made no political contributions during the year (2023: £nil). Donations to UK charities amounted to £6,400 (2023: £9,057).

The Group invested £31,000 in a giving platform during the year (2023: £nil) to guide and enhance our charity and volunteering strategy and ambitions. The platform will help us increase the amount of money we raise and hours we volunteer on an annual basis. The group carries out a number of fundraising events throughout the year, including raising money for our chosen charities and encouraging staff participation in fundraising challenges.

The group made a donation of £88,000 during the year to March 2023 of protective equipment for distribution to hospitals in Ukraine in respect of humanitarian aid.

Financial Risk Management

Information on risk objectives and policies and exposure to market, credit, liquidity and market risk can be found on pages 2 to 20 of the Strategic Report.

Directors' report *(continued)*

Going Concern

The current macro-economic environment has staged an early recovery from the technical recession in the second half of 2023 and with GDP expected to grow further in 2024 as well as inflation expected to return to the 2% target within the coming financial year, this is a positive sign for all businesses specifically also the expected interest rate reductions.

The Directors have continued to take this into account and inflationary expectations have been built into the Group forecasts and cashflow modelling. The Group continues to mitigate the risk of increasing costs by utilising its use of technology to further streamline processes and improve productivity across key functional areas.

The ABL facility is being renegotiated this year and in the process of being extended for a further 2 years till 2027. This has had credit approval and is in its final stages of legal documentation. The facility has a maximum draw down of £130m. Notwithstanding the Group's net current liabilities of £79m as at 31 March 2024 the amount drawn down was £56m providing significant headroom. The facility will be used for day-to-day operations and to help fund future growth of the Group. The expected increase in interest rates has been factored based on forward expectations and is included in the Group's forward looking cashflow modelling.

The directors have prepared cash flow forecasts and covenant compliance forecasts for a period of at least 12 months from the date of approval for these financials statements ("the going concern period") including inflationary impacts of +4% in 2025 and +2% in 2026 and interest rate increases for SONIA in line with forecasted projections expecting a peak in 2024 before they begin to decline and settle at target. The Group has also considered and factored reasonably severe but plausible downsides of revenue reduction and further cost increases and determined that the Group and Company will have sufficient funds to meet their liabilities as they fall due for the going concern period as well as meet the Group's covenants requirements.

As a consequence, the Directors have a reasonable expectation that the Group is well placed to manage its business risks and to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing these Financial Statements.

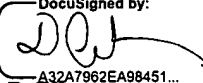
Disclosure of Information to the Auditor

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

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

The Directors' Report was approved and authorised for issue by the Board and was signed on its behalf on 27 June 2024.

DocuSigned by:

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D Gibson
Director

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, the 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 they have elected to prepare the group and parent company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.



Independent auditor's report to the members of Halcyon Topco Limited

Opinion

We have audited the financial statements of Halcyon Topco Limited ("the company") for the year ended 31 March 2024 which comprise the consolidated profit and loss account, consolidated other comprehensive income, the consolidated balance sheet, the company balance sheet, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated cash flow statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2024 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:



Independent auditor's report to the members of Halcyon Topco Limited *(continued)*

- Enquiring of directors, the audit committee, and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud including the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board, Audit Committee, and Clinical Excellence Committee minutes.
- Considering remuneration incentive schemes and performance targets for management, directors and sales staff and share based payment scheme for directors.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets and ability to manually manipulate results we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular:

- the risk that Group and component management may be in a position to make inappropriate accounting entries; and
- the risk that accrued revenue is overstated through recording revenues in the wrong period.

We did not identify any additional fraud risks.

We performed procedures including

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual account combinations in respect of Cash, Borrowings, Revenue and Expenses.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and senior management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence and discussed with the directors and senior management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group's license to operate. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, anti-bribery, employment law, regulatory capital and liquidity, EU and UK logistics, manufacture and importation of medicinal products for human use legislation and



Independent auditor's report to the members of Halcyon Topco Limited *(continued)*

compliance with medical regulator requirements, and certain aspects of company legislation recognising the regulated nature of the Group's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and senior management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 23, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent 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 they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.



Independent auditor's report to the members of Halcyon Topco Limited (continued)

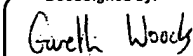
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

DocuSigned by:

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Gareth Woods (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

EastWest
Tollhouse Hill
Nottingham
NG1 5FS

Dated: 27 June 2024

Halcyon Topco Limited
Annual report and consolidated financial statements
For the year ended 31 March 2024

Consolidated profit and loss account
for the year ended 31 March 2024

		2024	2024	2024	2023	2023	2023
	Note	Adjusted £000	Adjustments £000	Total £000	Adjusted £000	Adjustments £000	Total £000
Turnover	2	2,102,594	-	2,102,594	2,048,320	-	2,048,320
Cost of sales		(1,953,052)	-	(1,953,052)	(1,908,787)	-	(1,908,787)
Gross profit		<u>149,542</u>	-	<u>149,542</u>	<u>139,533</u>	-	<u>139,533</u>
Distribution costs		(38,748)	-	(38,748)	(34,631)	-	(34,631)
Administrative charges before amortisation of goodwill		(91,175)	(3,853)	(95,028)	(88,686)	(2,711)	(91,397)
Amortisation of goodwill	11	(849)	-	(849)	(1,510)	-	(1,510)
Total administrative expenses		<u>(92,024)</u>	<u>(3,853)</u>	<u>(95,877)</u>	<u>(90,196)</u>	<u>(2,711)</u>	<u>(92,907)</u>
Other operating (charges) / income	4	(151)	-	(151)	250	-	250
Operating profit before amortisation of goodwill		<u>19,468</u>	<u>(3,853)</u>	<u>15,615</u>	<u>16,466</u>	<u>(2,711)</u>	<u>13,755</u>
Amortisation of goodwill	11	(849)	-	(849)	(1,510)	-	(1,510)
Operating profit		<u>18,619</u>	<u>(3,853)</u>	<u>14,766</u>	<u>14,956</u>	<u>(2,711)</u>	<u>12,245</u>
Interest receivable and similar income	7	129	-	129	-	-	-
Interest payable and similar expenses	8	(15,853)	-	(15,853)	(27,444)	-	(27,444)
Profit/(loss) before tax		<u>2,895</u>	<u>(3,853)</u>	<u>(958)</u>	<u>(12,488)</u>	<u>(2,711)</u>	<u>(15,199)</u>
Tax on profit	10	(4,017)	963	(3,054)	(3,728)	515	(3,213)
Profit/(loss) after tax		<u>(1,122)</u>	<u>(2,890)</u>	<u>(4,012)</u>	<u>(16,216)</u>	<u>(2,196)</u>	<u>(18,412)</u>

Further information in respect of adjusted items is contained in note 3 to the Financial Statements. There were no discontinued operations in either the current year or preceding period. The attached notes form an integral part of the Financial Statements.

Year ended 31 March 2024

Consolidated statement of other comprehensive income
for the year ended 31 March 2024

	2024	2023
	£000	£000
Loss for the financial year	(4,012)	(18,412)
<i>Other comprehensive income/(charges):</i>		
Foreign exchange differences on translation of foreign operations	(269)	814
Other comprehensive (charges)/income for the year, net of income tax	(269)	814
Total comprehensive charges for the year	(4,281)	(17,598)

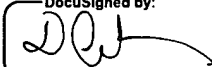
The attached notes form an integral part of the Financial Statements.

Consolidated balance sheet
as at 31 March 2024

	Note	2024 £000	£000	2023 £000	£000
Fixed assets					
Intangible fixed assets	11		24,710		23,808
Tangible fixed assets	12		11,570		7,954
			<u>36,280</u>		<u>31,762</u>
Current assets					
Stock	14	69,390		61,559	
Debtors	15	219,012		232,051	
Cash at bank and in hand		16,053		9,797	
		<u>304,455</u>		<u>303,407</u>	
Creditors: amounts falling due within one year	16	<u>(383,740)</u>		<u>(385,343)</u>	
Net current liabilities			<u>(79,285)</u>		<u>(81,936)</u>
Total assets less current liabilities			<u>(43,005)</u>		<u>(50,174)</u>
Creditors: amounts falling due after more than one year	17		<u>(254,330)</u>		<u>(241,773)</u>
Provisions for liabilities and charges	19		<u>(2,496)</u>		<u>(3,827)</u>
Net liabilities			<u>(299,831)</u>		<u>(295,774)</u>
Capital and reserves					
Called up share capital	21		12		12
Share premium account	21		1,130		1,130
Profit and loss account			<u>(300,973)</u>		<u>(296,916)</u>
Shareholders' deficit			<u>(299,831)</u>		<u>(295,774)</u>

The attached notes form an integral part of the Financial Statements.

These Financial Statements were approved and authorised for issue by the board of directors and were signed on its behalf on 27 June 2024 by:

DocuSigned by:

 A32A7962EA98451...
D Gibson
 Director

Registered number: 07672785

Year ended 31 March 2024

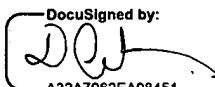
Company balance sheet
as at 31 March 2024

	Note	2024		2023	
		£000	£000	£000	£000
Fixed assets					
Investments	13		168,856		168,781
			<u>168,856</u>		<u>168,781</u>
Current assets					
Debtors	15	133,375		41,403	
		<u>133,375</u>		<u>41,403</u>	
Total current assets		133,375		41,403	
Creditors: amounts falling due within one year	16	(51,311)		(503)	
			<u>82,064</u>		<u>40,900</u>
Net current assets			<u>82,064</u>		<u>40,900</u>
Total assets less current liabilities			<u>250,920</u>		<u>209,681</u>
Creditors: amounts falling due after more than one year	17		(195,196)		(231,676)
			<u>(195,196)</u>		<u>(231,676)</u>
Net assets/(liabilities)			<u>55,724</u>		<u>(21,995)</u>
Capital and reserves					
Called up share capital	21		12		12
Share premium account	21		1,130		1,130
Profit and loss account			54,582		(23,137)
			<u>55,724</u>		<u>(21,995)</u>
Shareholders' funds/(deficit)			<u>55,724</u>		<u>(21,995)</u>

The attached notes form an integral part of the Financial Statements.

The Company made a profit for the year of £79,495,000 (2023: loss of £24,799,000).

These Financial Statements were approved and authorised for issue by the board of directors and were signed on its behalf on 27 June 2024 by:

DocuSigned by:

 A32A7962EA98451...
D Gibson
 Director

Registered number: 07672785

Consolidated statement of changes in equity

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
Balance at 1 April 2022	12	1,130	(279,356)	(278,214)
Loss for the year	-	-	(18,412)	(18,412)
Other comprehensive income	-	-	814	814
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive charge for the year	-	-	(17,598)	(17,598)
Share based payment (note 27)	-	-	38	38
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 March 2023	12	1,130	(296,916)	(295,774)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
Balance at 1 April 2023	12	1,130	(296,916)	(295,774)
Loss for the year	-	-	(4,012)	(4,012)
Other comprehensive charges	-	-	(269)	(269)
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive charge for the year	-	-	(4,281)	(4,281)
Share based payment (note 27)	-	-	224	224
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 March 2024	12	1,130	(300,973)	(299,831)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The attached notes form an integral part of the Financial Statements.

Company statement of changes in equity

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
Balance at 1 April 2022	12	1,130	1,657	2,799
Loss for the year	-	-	(24,799)	(24,799)
Total comprehensive charge for the year	-	-	(24,799)	(24,799)
Share based payment (note 27)	-	-	5	5
Balance at 31 March 2023	12	1,130	(23,137)	(21,995)
	12	1,130	(23,137)	(21,995)
	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
Balance at 1 April 2023	12	1,130	(23,137)	(21,995)
Profit for the year	-	-	77,495	77,495
Total comprehensive charge for the year	-	-	77,495	77,495
Share based payment (note 27)	-	-	224	224
Balance at 31 March 2024	12	1,130	54,582	55,724

The attached notes form an integral part of the Financial Statements.

Consolidated statement of cash flows
for the year ended 31 March 2024

	Note	2024 £000	2023 £000
Cash flows from operating activities			
Loss after tax for the year		(4,012)	(18,412)
<i>Adjustments for:</i>			
Depreciation, amortisation and impairment	11,12	11,413	10,901
Share based payment		224	38
Tax charge		3,054	3,213
Interest receivable and similar income	7	(129)	-
Interest payable and similar charges	8	15,853	27,444
Loss on disposal of intangible fixed assets	11	79	41
Loss on disposal of tangible fixed assets	12	172	3
Decrease/(increase) in trade and other debtors		13,095	(7,553)
Increase in stocks		(7,831)	(2,886)
(Decrease)/increase in trade and other creditors		(3,955)	26,181
Increase in provisions		5	1
Tax paid		(2,993)	(551)
Net cash inflow from operating activities		24,975	38,420
Cash flows from investing activities			
Interest received		65	-
Acquisition of business (net of cash acquired)		(912)	-
Acquisition of tangible fixed assets	12	(2,152)	(1,490)
Acquisition of other intangible assets	11	(7,917)	(7,103)
Cash used in investing activities		(10,916)	(8,593)
Cash flows from financing activities			
Proceeds from/(repayment of) invoice discounting facility, net		45,955	(45,289)
Payment of preference shares interest		(50,000)	-
Repayment of finance leases		(1,601)	(1,546)
Interest paid		(2,047)	(1,793)
Net cash used in financing activities		(7,693)	(48,628)
Net increase/(decrease) in cash and cash equivalents		6,366	(18,801)
Effects of exchange rate changes		(110)	846
Cash and cash equivalents at 1 April 2023		9,797	27,752
Cash and cash equivalents at 31 March 2024		16,053	9,797

The attached notes form an integral part of the Financial Statements.

Notes

(forming part of the financial statements)

1 Accounting policies

(A) Corporate Information

Halcyon Topco Limited is a Company limited by shares and incorporated and domiciled in the United Kingdom. The principal activity of the Company is that of a holding company. The principal activities of the Group are to provide a range of pharmaceutical services focused on complex and usually high value medicines across chronic, rare disease and cancer patient cohorts. Leveraging its digital capabilities, extensive infrastructure and clinical expertise, the Group manages the medication needs of over 240,000 patients in the UK and Europe. Servicing a range of public and private sector payors, the Group aims to ensure that patients achieve the best possible experience and health outcomes from their medicines. The registered office is located at 107 Station Street, Burton-On-Trent, Staffordshire, DE14 1SZ.

The Group and Parent Company Financial Statements for the year ended 31 March 2024 ("these Financial Statements") were approved for issue by the Board on 27 June 2024.

(B) Basis of preparation

These Financial Statements have been prepared on the historical cost basis.

These Financial Statements have been prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard, applicable in the United Kingdom and Republic of Ireland ("FRS 102"). The principal accounting policies adopted in the preparation of these Financial Statements are set out below.

The Parent Company is included in the Consolidated Financial Statements, and is considered to be a qualifying entity under FRS102 in respect of certain disclosures for the Parent Company Financial Statements have been applied: The reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included a second time; No separate Parent Company Cash Flow Statement with related notes is included; and Key Management Personnel compensation has not been included a second time; and certain disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

These Financial Statements are presented in pounds sterling, which is the Group's and Company's functional and presentation currency. Unless otherwise noted, the amounts shown in these Financial Statements are in thousands of pounds sterling ("£000s").

Under Section 408 of the Companies Act 2006, the Company is exempt from the requirement to present its own Profit and Loss Account. The Company made a profit for the year of £79,495,000 (2023: loss of £24,799,000).

(C) Going concern

The financial statements have been prepared on a going concern basis, which the directors consider to be appropriate for the following reasons:

The current macro-economic environment has staged an early recovery from the technical recession in the second half of 2023 and with GDP expected to grow further in 2024 as well as inflation expected to return to the 2% target within the coming financial year, this is a positive sign for all businesses specifically also the expected interest rate reductions.

The Directors have continued to take this into account and inflationary expectations have been built into the Group forecasts and cashflow modelling. The Group continues to mitigate the risk of increasing costs by utilising its use of technology to further streamline processes and improve productivity across key functional areas.

The ABL facility is being renegotiated this year and in the process of being extended for a further 2 years till 2027. This has had credit approval and is in its final stages of legal documentation. The facility has a maximum draw down of £130m. Notwithstanding the Group's net current liabilities of £79m as at 31 March 2024 the amount drawn down was £56m providing significant headroom. The facility will be used for day-to-day operations and to help fund future growth of the Group. The expected increase in interest rates has been factored based on forward expectations and is included in the Group's forward looking cashflow modelling.

Notes (continued)

1 Accounting policies (continued)

(C) Going Concern (continued)

The directors have prepared cash flow forecasts and covenant compliance forecasts for a period of at least 12 months from the date of approval for these financial statements (“the going concern period”) including inflationary impacts of +4% in 2025 and +2% in 2026 and interest rate increases for SONIA in line with forecasted projections expecting a peak in 2024 before they begin to decline and settle at target. The Group has also considered and factored reasonably severe but plausible downsides of revenue reduction and further cost increases and determined that the Group and Company will have sufficient funds to meet their liabilities as they fall due for the going concern period as well as meet the Group’s covenants requirements.

As a consequence, the Directors have a reasonable expectation that the Group is well placed to manage its business risks and to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing these Financial Statements.

(D) Basis of consolidation

The Consolidated Financial Statements include the Financial Statements of the Company and its subsidiary undertakings for the year ended 31 March 2024. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the Consolidated Profit and Loss Account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. Results of the Employee Benefit Trust controlled by Investors in the Company are also consolidated.

In the Parent Company Financial Statements, investments in subsidiaries are carried at cost less impairment.

(E) Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the entity.

At the acquisition date, the Group recognises goodwill as:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration (see below); plus
- the fair value of the equity instruments issued; plus
- directly attributable transaction costs; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

When the excess is negative, this is recognised and separately disclosed on the face of the Consolidated Balance Sheet as negative goodwill.

Consideration which is contingent on future events is recognised based on the estimated amount if the contingent consideration is probable and can be measured reliably. Any subsequent changes to the amount are treated as an adjustment to the cost of the acquisition.

Notes (continued)

1 Accounting policies (continued)

(F) Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign exchange differences arising on translation are recognised in the Profit and Loss Account.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, Sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on retranslation are recognised in Other Comprehensive Income.

(G) Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Group or Company are treated as equity only to the extent that they meet the following two conditions:

- (i) they include no contractual obligations upon the Group or Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group or Company; and
- (ii) where the instrument will or may be settled in the entity's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the entity's own equity instruments or is a derivative that will be settled by the entity exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the entity's own shares, the amounts presented in these Financial Statements for called up share capital and share premium account exclude amounts in relation to those shares.

(H) Basic financial instruments

Trade and other debtors/ creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows.

Notes (continued)

1 Accounting policies (continued)

(I) Intangible assets and goodwill

Goodwill

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash generating units or group of cash generating units that are expected to benefit from the synergies of the business combination from which it arose.

Other intangible assets

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

Costs include amounts capitalised in respect of the purchase of external products or services and the capitalisation of internal labour costs that are considered to be directly attributable to development of the asset.

The cost of intangible assets acquired in a business combination are capitalised separately from goodwill if the fair value can be measured reliably at the acquisition date.

Amortisation

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Goodwill 5-10 years
- Software 3-5 years

The amortisation periods and methodology are reviewed when events and circumstances indicate that the useful life may have changed since the last reporting date.

Goodwill and other intangible assets are tested for impairment in accordance with Section 27 of FRS102, Impairment of assets when there is an indication that goodwill or an intangible asset may be impaired.

(J) Tangible fixed assets

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

Impairment of tangible fixed assets (including those leased under a finance lease) is reviewed at each reporting date.

Depreciation is charged to the Profit and Loss Account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

- Leasehold improvements Life of lease
- Fixture, fittings & equipment 5 years
- Medical equipment 5 years
- Motor vehicles (leased) Over the period of the lease

Assets under construction are transferred to fixed assets once the asset is ready and available for use. Depreciation commences upon transfer.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the consumption of the asset's future economic benefits are expected.

(K) Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Notes (continued)

1 Accounting policies (continued)

(K) Impairment excluding stocks and deferred tax assets (continued)

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit and loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the entity's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash generating unit" or "CGU"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to the CGUs that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire group of entities into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(L) Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition.

(M) Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an charge in the Profit and Loss Account in the periods during which services are rendered by employees.

(N) Provisions

A provision is recognised in the Balance Sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date, discounted to present value.

Notes (continued)

1 Accounting policies (continued)

(N) Provisions (continued)

Where the Parent Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its Group, the Company treats the guarantee contract as a commitment in its individual Financial Statements until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

(O) Turnover

Turnover represents the amounts invoiced (excluding value added tax) or accrued for the supply, delivery and administration of medical products. Turnover is recognised on the delivery of medical products and the delivery of nursing care, as the risks and rewards of ownership transfer to the buyer.

(P) Leased assets

Finance lease costs

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Operating lease costs

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease charge.

(Q) Interest receivable and interest payable

Interest receivable and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

(R) Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account except to the extent that it relates to items recognised directly in Equity or Other Comprehensive Income, in which case it is recognised directly in Equity or Other Comprehensive Income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and charges in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or charge are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or charge.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes *(continued)*

1 Accounting policies *(continued)*

(S) Share-based payments

The cost of share-based employee compensation arrangements, whereby employees receive remuneration in the form of shares or share options, is recognised as an employee benefit expense in the statement of profit or loss.

The total expense to be apportioned over the vesting period of the benefit is determined by reference to the fair value.

In determining the fair value of share-based payments, management has considered a number of internal and external factors in order to judge the probability that management share incentives may vest. Such judgements involve estimating future performance and other non market-based factors.

At the end of each reporting period the assumptions underlying the number of awards expected to vest are adjusted for the effects of non market-based vesting conditions to reflect the conditions prevailing at that date. The impact of any revisions to the original estimates is recognised in the statement of profit or loss, with a corresponding adjustment to equity. Fair value is measured by the use of the Black Scholes methodology. The assumptions have been adjusted, based on management's best estimate, for the effects of non-transferability, lack of dividend until vesting and exercise restrictions.

The fair value calculations in the current period have been externally assessed and deemed reasonable in the circumstances.

After vesting, the Group satisfies share option exercises either through the issuance of new ordinary shares, or through the transfer of existing shares held in the Company's EBT to the employee. Any share options not exercised upon vesting remain outstanding until the end of the contracted exercise period.

(T) Adjusted items

The Group considers adjusted items to be those which derive from events or transactions which are significant for separate disclosure by virtue of their size or incidence in order for the user to obtain a full understanding of the Group's financial performance.

(U) Accounting estimates and judgements

Key sources of estimation uncertainty

In applying the Group's accounting policies, the Directors are required to make estimates, judgements and assumptions that affect amounts reported in these Financial Statements. The estimates, judgements and assumptions are based on historical experience, adjusted for current market conditions and other factors that are believed to be reasonable under the circumstances and are reviewed on a regular basis. Actual results may differ from these estimates.

The estimates and judgements which involve a higher degree of complexity or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next period are detailed below.

Management consider there are no significant estimates required in the preparation of these financial statements.

Notes (continued)

1 Accounting policies (continued)

Critical accounting judgements in applying the Group's Accounting Policies

Revenue Recognition

As the group do not take pricing risk on its drug sales and purchases, the key judgement made by the Directors is whether the Group acts as principal or agent. In arriving at this judgment management consider the relative inventory, credit and order fulfilment risks attached to each contract. On balance, and in the light of the group being solely responsible for managing and controlling the entire supply chain to ensure product and service order fulfilment from supplier to patient, management consider the Group acts as Principal when executing its contracts. Turnover is therefore recognised on a gross basis in the financial statements.

Preference Share Interest

The key judgement applied by the Directors is that the interest holiday for the first 12 months (see note 18) has been spread over a period up to a repayment date which is judgmental. An effective interest rate of 7.92% has been calculated to spread the interest which is accrued. This is reassessed annually by the Directors and no changes were made during the year. During the previous year, the period used to spread the interest holiday was amended following review by the directors.

2 Turnover

Turnover is derived from the Group's principal activities carried out in the following regions:

	2024 £000	2023 £000
United Kingdom	1,658,640	1,645,089
Rest of Europe	443,647	401,964
Rest of World	307	1,267
	<u>2,102,594</u>	<u>2,048,320</u>

The Directors have chosen not to disclose and state turnover by class of business, as in their opinion, it is considered to be seriously prejudicial to the interests of the Company.

Notes (continued)

3 Adjusted items

A summary of adjusted items in respect of the current and prior year is set out below:

	2024	2023
	£000	£000
<i>Administrative (income)/ charges:</i>		
Business transformation	2,456	2,163
Professional fees in connection with acquisition of subsidiary undertaking	66	-
Settlement of commercial dispute	269	-
Professional fees in connection with property dispute	200	-
Share based payments charge (note 27)	224	38
Loan discounting and impairment	1,086	-
Professional fees in connection with Preference shares payment	58	-
Settlement of German claims	(506)	-
Hardship payments	-	326
Donation to Ukraine	-	88
Professional fees in connection with group structure rationalisation and debt restructure	-	96
	<u>3,853</u>	<u>2,711</u>
Taxation credit relating to adjusted items	(963)	(515)
	<u>2,890</u>	<u>2,196</u>

Further detail of adjusted items incurred during the period is below:

The Group has continued on its business transformation journey. Upgrades to the CRM and ERP modules of Microsoft Dynamics 365 for the UK trading company were brought in and Commercial and Compounding unit processes were redefined. Restructuring costs and costs related to reduction of hierarchy were also incurred as part of the transformation. Non-recurring, non-capital costs of £2,456,000 (2023: £2,163,000) were incurred.

Professional fees were incurred of £66,000 (2023: £nil) in connection with the acquisition of Vinehealth Digital Limited in January 2024. Details of the acquisition are given in note 28.

Costs in respect of the settlement of a commercial dispute from a prior year were incurred of £269,000 (2023: £nil) and have been included in non-recurring costs.

Professional fees of £200,000 were incurred in connection with a property dispute concerning defects (2023: £nil).

A share based payments charge was incurred of £224,000 (2023: £38,000) following implementation of the management incentivisation plan. Further details are given in note 27

Loans to key management personnel repayable at a future date were discounted to present values and, following review, were impaired. Charges incurred of £1,086,000 (2023: £nil) have been included within non-recurring costs. Further details are given in note 25.

Professional fees of £58,000 were incurred in respect of the £50,000,000 preference shares payment made (2023: £nil)

Settlement was completed on three old claims in respect of a now dissolved German group company during the year, resulting in refunds and credits of £506,000 (2023: £nil) included within non-recurring costs.

Hardship payments were made during the year of £nil (2023: £326,000) in respect of the cost of living crisis. A donation of PPE of £nil was made to Ukraine during the year in respect of humanitarian aid (2023: £88,000). Costs of £nil (2023: £96,000) associated with restructuring of shareholder loan notes and banking facilities (as disclosed in notes 18 and 21) have been included within non-recurring costs.

Notes (continued)

4 Other operating income

	2024 £000	2023 £000
Research & Development expenditure (charge) / credit	(151)	250

5 Remuneration of directors

	2024 £000	2023 £000
Directors' emoluments	953	1,045
Management Incentive scheme	149	209
Discounting of loans	286	-
	<u>1,388</u>	<u>1,254</u>

The aggregate emoluments, including management incentive scheme amounts, of the highest paid director were £753,000 (2023: £692,000) and Group pension contributions of £nil (2023: £nil) were made to a money purchase scheme on their behalf. Emoluments included £89,000 (2023: £124,000) in respect of the Management Incentive scheme and £182,000 (2023: £nil) in respect of discounting of a loan. Retirement benefits are accruing to zero (2023: zero) directors under money purchase schemes.

Further details of costs incurred during the year in respect of the Management Incentive scheme implemented in December 2019 are given in note 27. Fees paid to Vitruvian Partners LLP are disclosed separately in note 25: Related Party Transactions.

The Directors received no remuneration for their services to the Company during the year (2023: £nil). Costs in respect of 5 directors (2023: 5) are borne by another Group company and no recharge is made.

6 Staff numbers and costs

The average number of persons employed by the Company (including Directors) during the year, analysed by category, was as follows:

	2024 Number	2023 Number
Logistics and nursing	1,123	1,115
Administration	599	623
	<u>1,722</u>	<u>1,738</u>

The aggregate payroll costs of these persons were as follows:

	2024 £000	2023 £000
Wages and salaries	67,869	65,559
Social security costs	7,005	7,059
Other pension costs (note 24)	2,819	2,786
	<u>77,693</u>	<u>75,404</u>

Notes (continued)

7 Interest receivable and similar income

	2024 £000	2023 £000
Interest receivable from other debtors	65	-
Interest on unwinding of discounted loans	64	-
	<u>129</u>	<u>-</u>

8 Interest payable and similar expenses

	2024 £000	2023 £000
Interest on bank loans	1,690	1,474
Dividends accrued on preference shares classed as liabilities (note 21)	13,520	25,387
Amortisation of debt issue costs	278	277
Interest on finance leases	189	173
Interest on unwinding of discounted provision	97	91
Other	79	42
	<u>15,853</u>	<u>27,444</u>

9 Loss before tax

	2024 £000	2023 £000
<i>Loss before tax is stated after charging:</i>		
Loss on disposal of tangible fixed assets	172	3
Loss on disposal of intangible fixed assets	79	41
(Gain)/loss on foreign exchange	(304)	369
	<u></u>	<u></u>
<i>Auditor's remuneration</i>		
Audit services		
Audit of Company financial statements	34	33
Audit of subsidiaries financial statements	191	187
	<u>225</u>	<u>220</u>
<i>Non-audit services:</i>		
Tax advisory services in connection with German VAT affairs and a Withholding Tax refund claim	15	55
	<u>15</u>	<u>55</u>
Services relating to taxation	15	55
	<u>15</u>	<u>55</u>
Total non-audit services	15	55
	<u>15</u>	<u>55</u>
Total fees paid to auditors	<u>240</u>	<u>275</u>

Notes (continued)

10 Taxation

	2024 £000	2023 £000
<i>Current tax:</i>		
Current tax on income for the year	4,656	1,509
Adjustments in respect of prior years	(169)	44
	<hr/>	<hr/>
Total current tax charge	4,487	1,553
	<hr/>	<hr/>
<i>Deferred tax:</i>		
Current year	(671)	1,352
Adjustments in respect of prior years	(762)	308
	<hr/>	<hr/>
Total deferred tax charge	(1,433)	1,660
	<hr/>	<hr/>
Total tax charge	3,054	3,213
	<hr/> <hr/>	<hr/> <hr/>

Factors affecting the tax charge for the current year

The current tax charge for the year is higher (2023: *higher*) than the standard rate of corporation tax in the UK of 25% (2023: 19%). The differences are explained below:

	2024 £000	2023 £000
Loss after tax	(4,012)	(18,412)
Tax on loss	3,054	3,213
	<hr/>	<hr/>
Loss before tax	(958)	(15,199)
	<hr/> <hr/>	<hr/> <hr/>
Current tax at 25% (2023: 19%)	(240)	(2,888)
	<hr/>	<hr/>
<i>Effects of:</i>		
Non-deductible charges for tax purposes	4,121	4,939
Difference tax rates of overseas subsidiaries	104	115
Adjustment to deferred tax asset due to tax rate changes	-	695
Adjustment in respect of prior years – current tax	(169)	44
Adjustment in respect of prior years – deferred tax	(762)	308
	<hr/>	<hr/>
Total tax charge	3,054	3,213
	<hr/> <hr/>	<hr/> <hr/>

Factors that may affect future tax charges

The deferred tax asset at 31 March 2024 has been calculated based on the current rate of UK corporation tax 25%. The deferred tax rate used is the future rate when the company is most likely to utilise the assets deferred tax is calculated on. As it is unknown when this will be, the rate of 25% has been used in line with treatment in prior periods, the rate effective 1 April 2023.

Notes (continued)

11 Intangible fixed assets

	Software	Goodwill	Assets Under Construction	Total
	£000	£000	£000	£000
Cost				
At 1 April 2023	44,201	191,513	1,630	237,344
Additions	111	-	7,806	7,917
Acquisitions through business combinations	600	743	-	1,343
Disposals	(82)	-	(20)	(102)
Movement in foreign exchange translation	(57)	-	(2)	(59)
Intergroup transfers	7,768	-	(7,768)	-
Transfer to tangible fixed assets	-	-	(13)	(13)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 24	52,541	192,256	1,633	246,430
	<hr/>	<hr/>	<hr/>	<hr/>
Accumulated amortisation				
At 1 April 2023	22,835	190,701	-	213,536
Charge for the year	7,400	849	-	8,249
Disposals	(23)	-	-	(23)
Movement in foreign exchange translation	(42)	-	-	(42)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2024	30,170	191,550	-	221,720
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 March 2024	22,371	706	1,633	24,710
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2023	21,366	812	1,630	23,808
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The Directors consider each acquisition separately for the purpose of determining the amortisation period of any goodwill that arises. The goodwill is being amortised over a life of 5-10 years. The amortisation charge is recognised in administrative charges in the Profit and Loss Account.

Notes (continued)

12 Tangible fixed assets

	Leasehold improvements £000	Fixtures and fittings £000	Medical equipment £000	Motor vehicles £000	Assets under construction £000	Total £000
Cost						
At 1 April 2023	7,609	8,441	5,005	6,333	66	27,454
Additions	-	39	-	5,258	2,113	7,410
Acquisitions through business combinations	-	9	-	-	-	9
Disposals	-	(65)	(85)	(5,176)	(13)	(5,339)
Movement in foreign exchange translation	-	(11)	-	-	-	(11)
Reallocations	662	816	625	-	(2,103)	-
Transfer from intangible fixed assets	-	-	-	-	13	13
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2024	8,271	9,229	5,545	6,415	76	29,536
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Accumulated depreciation						
At 1 April 2023	3,969	7,030	3,402	5,099	-	19,500
Charge for the year	690	762	551	1,161	-	3,164
Disposals	-	(65)	(75)	(4,549)	-	(4,689)
Movement in foreign exchange translation	-	(9)	-	-	-	(9)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2024	4,659	7,718	3,878	1,711	-	17,966
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value						
At 31 March 2024	3,612	1,511	1,667	4,704	76	11,570
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2023	3,640	1,411	1,603	1,234	66	7,954
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The net carrying amount of assets held under finance leases included in motor vehicles is £4,695,000 (2023: £1,219,000). Depreciation charged on those leased assets was £1,155,000 (2023: £1,401,000)

Notes (continued)

13 Investments

Company	Total £000
At 1 April 2023	168,781
Additions in the year	75
	168,856
	168,856

The companies in which the Company's interest at the year end is more than 20% are as follows:

Subsidiary	Aggregate of capital and reserves £000	Profit/ (loss) for the year £000	Country of incorporation	Principal activity	Class of share held	% of share held
<i>Direct subsidiaries</i>						
Halcyon Midco Limited	88,562	(1,471)	England (A)	Holding company	Ordinary	100%
<i>Indirect subsidiaries</i>						
Halcyon Financing Limited	168,225	-	England (A)	Holding company	Ordinary	100%
Halcyon Acquisitions Limited	7,356	4,081	England (A)	Holding company	Ordinary	100%
Medicines Intelligence Limited	-	-	England (A)	Dormant company	Ordinary	100%
Healthcare at Home (Europe) Limited	-	-	England (A)	Dormant company	Ordinary	100%
Sciensus AG (formerly HTHC High Tech Homecare AG)	2,382	37	Switzerland (D)	Nursing services	Ordinary	100%
Sciensus Apotheke AG (formerly Lerchengarten Apotheke AG)	589	1	Switzerland (E)	Medical supply chain	Ordinary	100%
Sciensus Wholesale AG (formerly Novo Supply AG)	1,995	699	Switzerland (D)	Wholesale of pharmaceuticals	Ordinary	100%
Sciensus International B.V.	7,277	2,971	Netherlands (B)	Pharmaceutical product supply chain	Ordinary	100%
Sciensus GmbH	178	49	Germany (C)	Provision of customer services	Ordinary	100%
Sciensus Pharma Services Limited	53,693	12,652	England (A)	Provision of life science product services	Preference	100%
Vinehealth Digital Limited	130	(263)	England (A)	Software development	Ordinary	100%
Medihome Limited	393	-	England (A)	Dormant company	Ordinary	100%
Sciensus Ltd	-	-	England (A)	Dormant company	Ordinary	100%
Sciensus Logistics Limited (formerly Sciensus Clinical Limited)	-	-	England (A)	Provision of life science product services	Ordinary	100%
Healthcare at Home Limited	-	-	England (A)	Dormant company	Ordinary	100%

(A) The registered office is located at 107 Station Street, Burton-On-Trent, Staffordshire, DE14 1SZ

(B) The registered office is located at Bijsterhuizen 3142, 6604LV Wijchen, Netherlands

(C) The registered office is located at Bergstraße 31, 69469 Weinheim, Germany

(D) The registered office is located at Buonaserstrasse 30, 6343 Rotkreuz, Switzerland

(E) The registered office is located at Baslerstrasse 254, 4123 Allschwil, Switzerland

Halcyon Topco Limited also wholly controls the Halcyon Topco Limited Employee Benefit Trust, established in Jersey.

Notes (continued)

14 Stock

	2024 £000	2023 £000
Medical supplies and consumables	<u>69,390</u>	<u>61,559</u>

Medical supplies and consumables recognised as cost of sales in the year amounted to £1,953,052,000 (2023: £1,908,787,000). The write-down of stocks to net realisable value amounted to £2,508,000 (2023: £2,139,000). The reversal of write-downs amounted to £nil (2023: £nil). The write-down and reversal are included in cost of sales.

15 Debtors

	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
Trade debtors	180,413	189,628	-	-
Amounts owed by Group undertakings	-	-	133,272	41,300
Other debtors	27,095	29,732	103	103
Prepayments and accrued income	11,504	12,691	-	-
	<u>219,012</u>	<u>232,051</u>	<u>133,375</u>	<u>41,403</u>

There are no debtors falling due after more than one year (2023: £nil).

16 Creditors: amounts falling due within one year

	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
Trade creditors	369,431	370,442	-	-
Amounts owed to Group undertakings	-	-	51,309	476
Obligations due under finance leases (note 18)	1,597	1,507	-	-
Corporation tax	2,133	1,067	-	-
Taxation and social security	1,619	1,518	-	-
Other creditors	1,161	877	-	-
Accruals and deferred income	7,799	9,932	2	27
	<u>383,740</u>	<u>385,343</u>	<u>51,311</u>	<u>503</u>

Notes (continued)

17 Creditors: amounts falling due after more than one year

	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
Secured lending facility (note 18)	55,746	9,791	-	-
Obligations due under finance leases (note 18)	3,388	306	-	-
Preference shares classified as debt (note 18,21)	195,196	231,676	195,196	231,676
	<u>254,330</u>	<u>241,773</u>	<u>195,196</u>	<u>231,676</u>

18 Interest bearing loans and borrowings

This note provides information about the contractual terms of the Group's and Company's interest-bearing loans and borrowings, which are measured at amortised cost.

	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
Creditors: amounts falling due after one year				
Secured bank loan	55,746	9,791	-	-
Preference share classified as debt	195,196	231,676	195,196	231,676
Obligations due under finance leases	3,388	306	-	-
	<u>254,330</u>	<u>241,773</u>	<u>195,196</u>	<u>231,676</u>
Creditors: amounts falling due within one year				
Shareholder loans	-	-	-	-
Obligations due under finance leases	1,597	1,507	-	-
	<u>1,597</u>	<u>1,507</u>	<u>-</u>	<u>-</u>

Notes (continued)

18 Interest bearing loans and borrowings (continued)

Group – terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Repayment schedule	2024 £000	2023 £000
Secured lending facility	GBP/ EUR	SONIA + 1.75% -2.50%	2025	Due at maturity	55,746	9,791
Preference shares classified as debt	GBP	10%	Earlier of redemption or exit event		195,196	231,676
Finance leases	GBP	7.5%	2027	Monthly instalments	4,985	1,813
					255,927	243,280
					255,927	243,280

Company – terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Repayment schedule	2024 £000	2023 £000
Preference shares classified as debt	GBP	10%	Earlier of redemption or exit event		195,196	231,676
Amounts owed to Group undertakings	GBP	SONIA + 2.5%		At call	51,309	476
					246,505	232,152
					246,505	232,152

Secured lending facility

The multi-currency asset backed lending facility is secured against certain trade debtors of the Group. Renegotiation of the facility was agreed in January 2022 for a 3 year term. Interest is payable at a rate of 1.75% - 2.50% above SONIA.

Preference shares

The non-equity cumulative preference shares have been presented as liabilities. The classification as a liability was on the basis that the cumulative preference shares had a contracted right to a fixed cumulative dividend at a rate of 15.25% per annum. The fixed dividend is rolled up and compounded annually to be paid on the earlier of redemption or an exit event. On 18 December 2019, following restructuring, the interest rate payable reduced from 15.25% to 10%, payable after the completion of a one-year interest free period which started on 1 November 2019.

Notes (continued)

18 Interest bearing loans and borrowings (continued)

Finance leases

These leases primarily relate to transportation equipment used in logistics operations and are secured against associated assets. There are no contingent rental, renewal or purchase option clauses. The future minimum finance lease payments are as follows:

	2024 £000	2023 £000
Group		
No later than one year	1,901	1,542
Later than one year and not later than five years	3,590	312
	<hr/>	<hr/>
Total gross payments	5,491	1,854
Less: finance charges	(506)	(41)
	<hr/>	<hr/>
Carrying amount of liability	4,985	1,813
	<hr/> <hr/>	<hr/> <hr/>

19 Provisions for liabilities and charges

	Lease dilapidations £000	Deferred Tax £000	Total £000
At 1 April 2023	931	2,896	3,827
Utilised	(5)	-	(5)
Charge/(credit) in the year	10	(1,433)	(1,423)
Interest unwinding	97	-	97
	<hr/>	<hr/>	<hr/>
At 31 March 2024	1,033	1,463	2,496
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The provision for lease dilapidations represents the Directors' estimate of the cost of restoring leasehold properties to their original state at the end of the leases and is expected to be utilised between 2024 and 2036.

20 Deferred tax

Group	2024			2023		
	Assets £000	Liabilities £000	Total £000	Assets £000	Liabilities £000	Total £000
Accelerated capital allowances	-	(1,355)	(1,355)	-	(2,896)	(2,896)
Other timing differences	-	(108)	(108)	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	(1,463)	(1,463)	-	(2,896)	(2,896)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Deferred tax movement						£000
Liability at 1 April 2023						(2,896)
Credit in the year (note 10)						1,433
						<hr/>
Liability at 31 March 2024						(1,463)
						<hr/> <hr/>

The Group has an unrecognised deferred tax asset of £907,000 at 25% (2023: £55,000 at 19%) which arose on losses carried forward. The future use of these losses is uncertain and therefore this has not been recognised.

Notes (continued)

21 Capital and reserves

Group and Company

	2024	2023
	£	£
8,750,000 (2023: 8,750,000) 'A' ordinary shares of £0.001 each	8,750	8,750
1,755,337 (2023: 1,755,337) 'B' ordinary shares of £0.001 each	1,755	1,755
80,752 (2023: 80,752) 'C' ordinary shares of £0.001 each	81	81
1,100,000 (2023: 1,100,000) deferred shares of £0.001 each	1,100	1,100
88,233,464 (2023: 88,233,464) cumulative preference shares of £1 each	88,233,464	88,233,464
	<u>88,245,150</u>	<u>88,245,150</u>
Shares classified as Shareholders' Funds	11,686	11,686
Shares classified as Liabilities	88,233,464	88,233,464
	<u>88,245,150</u>	<u>88,245,150</u>

Reconciliation of shares classified as liabilities to creditors due after more than one year:

	2024	2023
	£000	£000
Nominal value of preference shares	88,233	88,233
Uplift of base amount	83,260	83,260
Interest accrued	23,703	60,183
	<u>195,196</u>	<u>231,676</u>
Included as creditors due after more than one year (note 17)	195,196	231,676

Preference shares

The non-equity cumulative preference shares have been presented as liabilities. The classification as a liability was on the basis that the cumulative preference shares had a contracted right to a fixed cumulative dividend at a rate of 10% per annum.

On 18 December 2019 as part of a restructuring of its Capital base, £263,417,149 of Shareholder loans were discharged in exchange for 86,185,130 new Preference shares equivalent to 65% of the face value of those Shareholder Loan Notes. The base amount of the total 88,233,464 shares was also uplifted by £83,260,359. Interest is payable on the uplifted value of the preference shares at a rate of 10% per annum after the completion of a one-year interest free period which started on 1 November 2019. All Preference shares are repayable on an exit or sale and can be redeemed any time at the option of the company. The fixed dividend is rolled up and compounded annually to be paid on the earlier of redemption or an exit event. An interest payment of £50,000,000 was made on 10 November 2023.

The Capital contribution of £98,085,845, arising in December 2019, was created following the discounting of the Shareholder loan notes in Halcyon Midco Limited and has been taken to the profit and loss reserves.

Share premium account

The balance classified as share premium relates to the aggregate net proceeds less nominal value of shares on issue of the Company's equity share capital.

Notes (continued)

21 Capital and reserves (continued)

Employee Benefit Trust

The Halcyon Topco Limited Employee Benefit Trust ('EBT') holds 250,763 (2023: 250,763) of the 'B' ordinary shares and 6,057 (2023: 6,057) of the 'C' ordinary shares allotted at 31 March 2024. The nominal value of these shares is £257 (2023: £257).

Deferred shares

The Company purchased the deferred shares at nominal value of £0.001 for each of the 1,100,000 shares. These have been treated as Treasury Shares and charged against retained earnings.

22 Financial instruments

The carrying amounts of the financial assets and liabilities include:

	2024 £000	2023 £000
Assets measured at amortised cost	16,053	9,797
Amounts measured at cost less impairment	180,413	189,628
Liabilities measured at amortised costs	625,358	613,722

Net debt

The below is an analysis of changes in net debt of the Group from the beginning to the end of the current reporting period:

Group	Secured lending facility £000	Preference shares classified as debt £000	Obligations under finance lease liabilities £000	Subtotal £000	Cash and cash equivalents £000	Net debt £000
Net debt analysis						
Balance at 1 April 2023	(9,791)	(231,676)	(1,813)	(243,280)	9,797	(233,483)
Cash flows	(45,955)	50,000	1,601	5,646	6,143	11,789
Changes arising from acquisition of subsidiaries	-	-	-	-	223	223
New finance leases	-	-	(5,258)	(5,258)	-	(5,258)
Interest accrued	-	(13,520)	(189)	(13,709)	-	(13,709)
Other non-cash changes	-	-	674	674	-	674
Effect of movements in foreign exchange	-	-	-	-	(110)	(110)
Balance at 31 March 2024	(55,746)	(195,196)	(4,985)	(255,927)	16,053	(239,874)

Notes (continued)

23 Operating leases

Non-cancellable operating leases rentals are payable as follows:

Group	2024		2023	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
<i>Operating leases which expire:</i>				
Within one year	2,224	1,769	2,095	751
In the second to fifth years inclusive	4,920	3,790	5,150	999
Over five year	1,382	-	1,382	-
	8,526	5,559	8,627	1,750

During the year £4,358,000 (2023: £3,423,000) was recognised as a charge in the Profit and Loss Account in respect of operating leases.

24 Employee benefits

The Group operates a number of defined contribution pension schemes. The pension cost charged in the Profit and Loss Account represents contributions payable by the Group to the schemes and amounted to £2,819,000 (2023: £2,786,000). There were no amounts outstanding at the balance sheet date (2023: £nil).

Notes (continued)

25 Related party transactions

Transactions with key management personnel

Total compensation of key management personnel (including the Directors) in the year amounted to £2,453,000 (2023: £2,158,000).

Loans made to key management personnel (including the directors) in the year amounted to £2,960,000 (2023: £nil). The Group recognised an impairment charge of £492,000 during the year (2023: £nil) and the balance outstanding at 31 March 2024 was £1,938,000 (2023: £nil). Loans are interest free and have been discounted at the market interest rate of 7.92%. Loans are repayable on exit.

Included in the Financial Statements are the following costs for services provided by key management, Group shareholders and their affiliates on an arms-length basis as at 31 March 2024:

Directors' services

	2024 £000	2023 £000
Vitruvian Partners LLP	121	109
Palladian Investment Partners LLP	47	52
Ocorian Limited (formerly Estera Trust (Jersey) Limited)	7	10
	<u>175</u>	<u>171</u>

During the period the company incurred management charges from the above Group shareholders and their affiliates. At year-end £nil (2023: £20,000) was outstanding and included within Creditors. The services of D Oppenheim are provided by Palladian Investment Partners LLP

26 Commitments

	2024 £000	2023 £000
Contracted but not provided for		
Tangible fixed assets	2,844	6,052
Intangible fixed assets	5,395	5,779
	<u>8,239</u>	<u>11,831</u>

Cross-guarantees in respect of the Group's bank borrowings, which amounted to £56,009,000 at 31 March 2024 (2023: £10,258,000) have been provided by a number of companies within the Group. The Group's bank borrowings are secured against certain trade debtors of the Group. The bank borrowings are further secured by a fixed and floating charge over the assets of the companies providing the cross-guarantee.

Notes (continued)

27 Share-based payments

Share-based payments

The Group implemented a Management Incentive plan (“MIP”) in December 2019 to retain and incentivise the directors and senior management. The MIP enables the granting of enterprise management incentive and non-tax advantaged options to acquire both ‘B’ and ‘C’ ordinary shares of Halcyon Topco Limited.

MIP awards in the year had an exercise price payable of £0.41 per ‘B’ ordinary share and £0.28 per ‘C’ ordinary share

A number of equity settled awards were granted on 18 December 2019, 16 December 2020, 24 January 2020 and 29 January 2021 to senior management which were immediately exercised. The Company settled these exercised awards as follows:

On 18 December 2019 the company issued 1,579,269 new ‘B’ ordinary shares and 59,411 new ‘C’ ordinary shares. On 16 December 2020, the Company allotted 21,341 ‘C’ ordinary shares. On 24 January 2020 and 29 January 2021, the Company allotted 16,010 and 53,354 ‘B’ ordinary shares respectively.

The weighted average share price at the date of these exercises was £1.94

Subsequent to the awards above, 90,702 ‘B’ ordinary shares and 1,607 ‘C’ ordinary shares were returned to the EBT upon those members of management leaving the employ of the group.

MIP shares awarded to management in the period ending 31 March 2021 were valued at award using the Black Scholes model. The model simulates a variety of possible results, across 10,000 iterations for each of the options, by substituting a range of values for any factor that has inherent uncertainty over a number of scenarios using a different set of random values from the probability functions. The model takes any market-based performance conditions into account and adjusts the fair value of the options based on the likelihood of meeting the stated vesting conditions.

The inputs into the model were as follows:

Weighted average share price at grant date	£1.94
Exercise price per ‘B’ ordinary share	£0.41
Exercise price per ‘C’ ordinary share	£0.28
Volatility	16.44%
Weighted average vesting period	7 years
Risk free rate	0.55%

Expected volatility was determined by calculating the historic volatility of the market in which the Group operates and taking the median volatility of the comparators, given the existence of a few outliers. The expected expense calculated in the model has been adjusted, based on management’s best estimate, for the effects of non market-based conditions.

The weighted average vesting period was amended to 7 years from 5 years, following review by the directors in the year to March 2023.

The Group recognised a total expense of £224,000 (2023: £38,000) in the current period. Following no significant change in the year, the current year charge was determined using the valuation at 31 March 2021.

Notes (continued)

28 Business Combinations

The Group acquired 100% of the issued share capital of Vinehealth Digital Limited on 10 January 2024 for a total consideration of £1,135,000. The consideration comprised £1,031,000 purchase price plus £104,000 directly attributable costs.

As a result of the acquisition the Group expects to enhance the service given to Oncology patients through use of the software developed by Vinehealth Digital Limited.

Management have estimated the useful life of the goodwill to be 5 years, in line with the period over which software is amortised.

The following table summarises the fair value of assets acquired and liabilities assumed at the acquisition date.

	Book values £000	Adjustments £000	Fair value £000
Intangible fixed assets	-	600	600
Tangible fixed assets	9	-	9
Trade debtors	41	-	41
Deferred tax asset	-	772	772
Provision against deferred tax asset	-	(772)	(772)
Other debtors	21	(9)	12
Prepayments and accrued income	55	(46)	9
Cash at bank and in hand	223	-	223
Trade creditors	(65)	-	(65)
Other creditors	-	(198)	(198)
Accruals and deferred income	(149)	(90)	(239)
	<hr/>	<hr/>	<hr/>
Total identifiable net assets	135	257	392
Goodwill			743
			<hr/>
Total consideration			<u>1,135</u>

The adjustments arising on acquisition were in respect of the following:

- Recognition of the Oncology software developed by Vinehealth Digital Limited at fair value
- Recognition of, and provision against, the deferred tax on trading losses
- Impairment charge in respect of certain of the other debtors, prepayments and accrued income
- Provision for the liability on two onerous contracts
- Provision for employee payments to be made on sale of the company

29 Ultimate control

The Company is the ultimate Parent Company of the Group, and is incorporated in England and Wales. The majority of the issued share capital of the Company is ultimately held by VIP I Nominees Limited on behalf of investors in the Vitruvian Investment Partnership I. The Vitruvian Investment Partnership I is managed by Vitruvian Partners LLP and is deemed to be the ultimate controlling party. No other Group Financial Statements include the results of the Company.