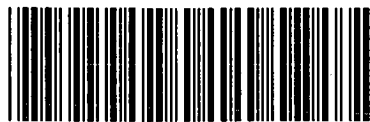


Registered number: 03898526

GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

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GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

COMPANY INFORMATION

Directors	C. McConkey D. Elliston
Registered number	03898526
Registered office	Ashfield House Resolution Road Ashby de la Zouch Leicestershire LE65 1HW
Independent auditors	Ernst & Young Chartered Accountants Harcourt Centre Harcourt Street Dublin 2
Bankers	National Westminster Bank plc 6 Grange Road West Charing Cross Birkenhead CH41 4DF
Solicitors	Pinsent Masons LLP 3 Hardman Street Manchester M3 3AU

GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

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GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2021

The directors present their report and the financial statements for the period ended 31 December 2021.

The company changed its balance sheet date from 30 September to 31 December for conformity with its ultimate parent company

Principal activity

The Company's principal activities during the period have continued to centre on the creation, development and implementation of medical education and communication programmes for health care practitioners, and consultancy services for pharmaceutical industry clients. The Company provides a broad range of editorial and publishing services in developing scientific content; the organisation of scientific conferences; design and delivery of websites and digital information solutions; and design, construction and management of exhibition stands. The Company also provides strategic consulting activities.

On 16 August 2021, the Company's ultimate parent undertaking, UDG Healthcare plc (UDG), was acquired by Irish entity, Nenelite Limited (Nenelite), a newly incorporated company, established for the purposes of implementing the acquisition, being an affiliate of private equity firm, Clayton, Dubilier & Rice (CD&R). Following the acquisition, UDG subsequently delisted from the Main Market of the London Stock Exchange, reregistered as a private limited company and changed its name to UDG Healthcare Limited. Throughout financial year 2021, the operating parent company of Nenelite Limited was CD&R Artemis Holdco 1 Limited, a Jersey incorporated company.

Results and dividends

The profit for the period, after taxation, amounted to £3,718,572 (2020: £3,239,973).

Dividends of £3,000,000 (2020: £5,000,000) were paid during the period.

The Company's performance for the period was in line with the director's expectations.

Directors

The directors who served during the period were:

C. McConkey
D. Elliston

The directors of the Company do not hold any interest in the shares of the Company.

Political donations

The Company made no political donations during the period (2020: £Nil).

Small Company exemption

The Company has availed of the exemption under Section 414 (B) of the Companies Act 2006 Regulations 2013, from implementing the Strategic Report requirements as the Company qualifies as a small company for company law purposes.

GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

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

Principal risks and uncertainties

The Company has a comprehensive system of risk management and internal controls, which form an integral part of the business process. The risks and uncertainties which are currently judged to have the greatest impact on the Company's performance are noted below:

- Uncertain global economic environment and its impact on the pharmaceutical services industry;
- Employee attraction and retention – the success of the Company is built upon a strong, technically competent and experienced work force. The loss of key personnel will have a significant, negative impact on the Company's performance;
- Changes in the mix of promotional spending by pharmaceutical manufacturers, sometimes intended to reduce spending but other times intended to increase outsourcing of services to Galliard Healthcare Communications Limited;
- Acquisitions and mergers within the pharmaceutical industry which can delay or reduce spending on certain products in their portfolios; and
- Pandemic risk - Overall, the Company has been materially unaffected by COVID-19 and the resultant economic downturn. The directors will continue to monitor and assess the potential and realised impacts of COVID-19.
- Economic and Political risk - The Russian and Ukraine war is an unprecedented global event whose impacts and duration are not yet fully known. It is unknown how the effects of a prolonged war could impact the economic environment in which the Company operates.

Financial risk management

The Company's operations expose it to a variety of financial risks that include foreign exchange risk, interest rate risk and credit risk.

There is a management programme that seeks to limit adverse effects on the financial performance of the Company by monitoring the level of debt and related finance costs. Given the size of the Company, the directors have not delegated responsibility for monitoring financial risk management to a sub-committee of the board. Group management provide the required level of monitoring to the Company in relation to this.

The effects of credit risk are controlled as the Company has implemented policies that require appropriate credit checks on potential customers before sales are made. As the majority of the Company's customers are well-known pharmaceutical companies, this is not considered to be a significant risk.

Future developments

The Company's forward order book remains in a healthy position and the Company expects revenue and profits in the coming year to be maintained at similar levels to those of the current financial year.

Employee involvement

It is the policy of the Group to encourage and develop all members of staff to realise their maximum potential. Wherever possible, vacancies are filled from within the Group and adequate opportunities for internal promotion are created. The Board is committed to a systematic training policy and the Company has a comprehensive training and development programme creating the opportunity for employees to maintain and improve their performance and to develop their potential to a maximum level of attainment. In this way, staff will make their best possible contribution to the organisation's success. The Group supports the principle of equal opportunities in employment and opposes all forms of unlawful or unfair discrimination on the grounds of race, age, nationality, religion, ethnic or national origin, sexual orientation, gender or gender reassignment, marital status or disability. It is also the policy of the Group, where possible, to give sympathetic consideration to disabled persons in their application for employment with the Group and to protect the interests of existing members of the staff who are disabled.

GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

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

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Disclosure of information to auditor

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

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

Going concern

The Company continues to adopt the going concern basis in preparing its financial statements. Further information is outlined in note 2.3.

Auditor

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

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


BOX SIGN 47202861-42763271

C. McConkey
Director

Date: 16 September 2022

GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2021**

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

In preparing these financial statements, the directors are required to:

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

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

On behalf of the board


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C McConkey
Director

Date: 16 September 2022



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

Opinion

We have audited the financial statements of Galliard Healthcare Communications Limited (the 'company') for the period ended 31 December 2021 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and the related notes 1 to 20 including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2021 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Continued/...

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GALLIARD HEALTHCARE COMMUNICATIONS LIMITED (Continued)

Other information (continued)

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Continued/...

Page 6

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GALLIARD HEALTHCARE COMMUNICATIONS LIMITED (Continued)

Auditor's responsibilities for the audit of the financial statements

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

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

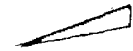
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are FRS101 as amended by Section 1A 'Small entities' the Companies Act 2006 and the relevant tax compliance regulations in the UK.
- We understood how the Company is complying with those frameworks by making inquiries of management to understand how the Company maintains and communicates its policies and procedures in these areas and corroborated this by reviewing supporting documentation, including board meeting and noted no contradictory evidence.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by inquiry of management, those charged with governance and others within the Company, as to whether they have knowledge of any actual or suspected fraud. Where this risk was considered higher, we performed audit procedures to address fraud risk. These procedures included testing manual journal and were designed to provide reasonable assurance that the financial statement were free from fraud or error.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved reading board minutes to identify noncompliance with laws and regulations and inquiries of management.

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

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GALLIARD HEALTHCARE
COMMUNICATIONS LIMITED (Continued)**

Use of our report

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

Ernst & Young

Roger Wallace (Senior statutory auditor)
for and on behalf of Ernst & Young, Statutory Auditor
Dublin, Ireland

21 September 2022

GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

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

	Note	1 October 2020 to 31 December 2021 £	1 October 2019 to 30 September 2020 £
Turnover	3	13,350,650	10,671,198
Cost of sales		(6,334,793)	(4,738,935)
Gross profit		7,015,857	5,932,263
Administrative expenses		(2,359,958)	(1,926,727)
Exceptional other operating charges		(108,271)	-
Profit on ordinary activities before taxation	4	4,547,628	4,005,536
Tax on ordinary activities	8	(829,056)	(765,563)
Profit for the financial period		3,718,572	3,239,973

There were no recognised gains and losses for 2021 or 2020 other than those included in the profit and loss account and therefore no statement of comprehensive income is presented.

The notes on pages 13 to 27 form part of these financial statements.

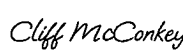
All results presented related to continuing activities.

GALLIARD HEALTHCARE COMMUNICATIONS LIMITED
REGISTERED NUMBER: 03898526

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	31 December 2021 £	30 September 2020 £
Fixed Assets			
Tangible fixed assets	11	44,410	24,638
Current assets			
Debtors: amounts falling due within one year	12	5,334,391	2,458,404
Cash at bank and in hand	13	461,682	2,778,481
		<u>5,796,073</u>	<u>5,236,885</u>
Current Liabilities			
Creditors: amounts falling due within one year	14	(3,449,781)	(3,729,240)
Net current assets		<u>2,346,292</u>	<u>1,507,645</u>
Total assets less current liabilities		<u>2,390,702</u>	<u>1,532,283</u>
Net assets		<u>2,390,702</u>	<u>1,532,283</u>
Capital and reserves			
Called up share capital - presented as equity	15	1,048	1,048
Share premium		29,927	29,927
Capital redemption reserve		25	25
Other reserves		314,218	174,371
Profit and loss account		2,045,484	1,326,912
Shareholders' funds		<u>2,390,702</u>	<u>1,532,283</u>

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


BOX SIGN 47200811 47725371

C. McConkey
 Director

Date: 16 September 2022

The notes on pages 13 to 27 form part of these financial statements.

GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2021

	Called up share capital- presented as equity	Share premium	Capital redemption reserve	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£	£
Balance at 1 October 2020	1,048	29,927	25	174,371	1,326,912	1,532,283
Comprehensive income for the period						
Profit for the financial year	-	-	-	-	3,718,572	3,718,572
Total comprehensive income for the period	-	-	-	-	3,718,572	3,718,572
Transactions with owners recorded directly in equity						
Dividends paid (refer note 10)	-	-	-	-	(3,000,000)	(3,000,000)
Share based payment during the year	-	-	-	139,847	-	139,847
Total transactions with owners	-	-	-	139,847	(3,000,000)	(2,860,153)
Balance at 31 December 2021	1,048	29,927	25	314,218	2,045,484	2,390,702

The notes on pages 13 to 27 form part of these financial statements.

GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

	Called up share capital- presented as equity £	Share premium £	Capital redemption reserve £	Other reserves £	Profit and loss account £	Total equity £
Balance at 1 October 2019	1,048	29,927	25	121,329	3,086,939	3,239,268
Comprehensive income for the year						
Profit for the financial year	-	-	-	-	3,239,973	3,239,973
Total comprehensive income for the year	-	-	-	-	3,239,973	3,239,973
Transactions with owners recorded directly in equity						
Dividends paid (refer note 10)	-	-	-	-	(5,000,000)	(5,000,000)
Share based payment during the year	-	-	-	53,042	-	53,042
Total transactions with owners	-	-	-	53,042	(5,000,000)	(4,946,958)
Balance at 30 September 2020	1,048	29,927	25	174,371	1,326,912	1,532,283

The notes on pages 13 to 27 form part of these financial statements.

GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

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

1. General information

Galliard Healthcare Communications Limited (the "Company") is a Limited Company incorporated, domiciled and registered in England.

During the financial period, the operating parent of the Company changed from UDG Healthcare plc to CD&R Artemis Holdco1 Limited, a Jersey incorporated company (see note 18). The Company has changed its year-end from 30 September to 31 December to align with the Group's financial reporting. This is the first financial reporting period adopting the new year-end date.

The financial statements are for the 15 month period ended 31 December 2021.

The Company's indirect parent company that prepares the consolidated financial statements is Hunter Holdco 3 Limited. Hunter Holdco 3 Limited is a company incorporated and domiciled in the United Kingdom. The consolidated financial statements are prepared in accordance with international Financial Reporting Standards. Copies of Hunter Holdco 3 Limited's financial year 2021 consolidated financial statements, which include the Company, are available from its registered office at 8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN.

2. Accounting policies

2.1 Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2016/17 Cycle) issued in July 2017 and effective immediately have been applied.

The Company's functional and presentational currency is GBP.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- IAS 1 "*Presentation of Financial Statements*" paragraph 10(d) (statement of cash flows); 16 (statement of compliance with all IFRS); 38A (requirement for minimum of two primary statements, including cash flow statements); 111 (cash flow statement information); and 134 – 136 (capital management disclosures).
- IAS 7, "*Statement of Cash Flows*".
- IAS 8 "Accounting policies, changes in account estimates and errors" paragraphs 30 and 31 – Disclosures regarding new standards or interpretations that have been issued but not yet effective.
- IAS 24 "*Related Party Disclosures*" paragraph 17 and 18A (disclosure of key management personnel) and the disclosure of related party transactions entered into between two or more members wholly owned members of a group as per paragraph 8(k) of FRS 101.
- IAS 38 "*Intangibles Assets*" paragraph 118 (e) – Reconciliation of the carrying amount at the beginning and end of the period.
- IFRS 7 "*Financial Instruments: Disclosures*" – exemption available from all disclosures of this standard.
- IFRS 13 "*Fair Value Measurement*" paragraph 91 to 99 - Disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities.
- IFRS 15 disclosures in respect of disaggregation of revenue, contract balances and performance obligations.

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

GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

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

2. Accounting policies (continued)

2.2 Measurement convention

The financial statements are prepared on the historical cost basis except unless stated otherwise in the notes below.

2.3 Going concern

The directors' have assessed the principal risks and uncertainties outlined in the directors' report including the COVID-19 pandemic and the impact it is having on economic activity. After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

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

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised for identified contracts with customers. Revenue comprises the fair value of the consideration receivable for goods and services sold to third party customers in the ordinary course of business. It excludes sales-based taxes and is net of allowances for volume-based rebates and early settlement discounts.

It is the Company's policy and customary business practice to receive a valid order from the customer in which each parties' rights and payment terms are established. The Company assesses revenue contracts to determine the transaction price and performance obligations to be delivered to customers under contract. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. Where the contracts include multiple performance obligations, the transaction price is allocated to each performance obligation based on the stand-alone selling price. The Company's contracts with customers generally include a single performance obligation and do not contain multiple performance obligations or bundled pricing arrangements.

If the consideration in a revenue contract includes a variable amount (including volume rebates), the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. Accumulated experience is used to estimate and provide for discounts and rebates, using the most likely amount estimation method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. In some of the Company's revenue contracts, the Company receives short-term advances from its customers. Using the practical expedient in IFRS 15, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

The Company recognises revenue as the amount of the transaction price expected to be received for goods and services supplied at a point in time or over time as the contractual performance obligations are satisfied and control passes to the customer. Revenue is recognised when a customer obtains control of a good or service and therefore has the ability to direct the use and obtain the benefits from the good or service. Revenue is recognised over time where (i) there is a continuous transfer of control to the customer; or (ii) there is no alternative use for any asset created and there is an enforceable right to payment for performance completed to date. Other revenue contracts are recognised at a point in time when control of the good or service transfers to the customer.

Where the contractual performance obligations are satisfied over time and revenue is recognised over time, the Company recognises revenue by reference to the estimated stage of completion of the performance obligations. The primary method of estimating stage of completion of over time revenue contracts is the input method of cost incurred to date over the estimated total cost to complete the revenue contract. Estimates of revenues, costs and stage of completion during the performance of a contract are revised where circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known. Where performance obligations are satisfied at a point in time, revenue is recognised when the risks and rewards of ownership have transferred to the customer. This is at the point where the product is delivered to the customer and there are no unfulfilled obligations that could affect the customer's acceptance of the product.

GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

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

2. Accounting policies (continued)

2.5 Tangible fixed assets and depreciation

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used are as follows:

Plant & machinery - 4 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

2.6 Non derivative financial instruments

Non-derivative financial instruments comprise trade and other debtors, cash and cash equivalents and trade and other creditors.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors

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

Cash and cash equivalents

Cash and cash equivalents comprise cash balances held for the purposes of meeting short-term cash commitments.

2.7 Intra group financial instruments

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such times as it becomes probable that the Company will be required to make a payment under the guarantee.

2.8 Contingent Liabilities

The Company has guaranteed certain bank loans and other loan facilities of Hunter Holdco 3 Ltd and subsidiaries (the Group). At 31 December 2021, the total amount of group borrowings and facilities guaranteed amounted to £1,646m (2020: £nil).

GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

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

2. Accounting policies (continued)

2.9 Impairment

Financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Non-financial assets

The carrying amounts of the Company's non-financial 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").

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.

In respect of other assets, 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 if there has been a change in the estimates used to determine the recoverable amount. 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.

GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

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

2. Accounting policies (continued)

2.10 Foreign currency translation

Transactions in foreign currencies are translated to the Company's functional currencies 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. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

2.11 Equity settled share based payment transactions

UDG Healthcare Ltd (formerly UDG Healthcare Plc), operated share option schemes which allowed employees of the group to acquire shares in UDG Healthcare Ltd. These were all equity-settled arrangements under IFRS 2, Share-based payments. Where UDG Healthcare Ltd granted options over its shares to employees of a subsidiary Company, the fair value of share entitlements granted was recognised as an employee expense in the profit and loss account with a corresponding increase in the other reserve. The fair value was determined by an external valuer using Monte-Carlo Simulation and Black-Scholes models. Share entitlements granted by UDG Healthcare Ltd were subject to both market and non-market based vesting conditions. The expense for the share entitlements shown in the profit and loss account was based on the fair value of the total number of entitlements expected to vest and was allocated to accounting periods on a straight-line basis over the vesting period. The cumulative charge to the profit and loss account is only reversed where entitlements do not vest because all non-market performance conditions have not been met or where an employee in receipt of share entitlements leaves the Company before the end of the vesting period.

On 16 August 2021, the Company's ultimate parent undertaking, UDG Healthcare plc (UDG), was acquired by Irish entity, NeneLite Limited, a newly incorporate company, established for the purposes of implementing the acquisition, being an affiliate of private equity firm, Clayton, Dubilier & Rice (CD&R). As a result of the acquisition, all share options granted under the share option scheme were exercised and all unvested amounts recognised in the profit and loss account.

2.12 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet.

GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

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

2. Accounting policies (continued)

2.13 Taxation

Tax on the profit or loss for the period 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 period, 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 temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

2.14 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

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

3. Revenue

	2021	2020
	£	£
Provision of healthcare communications services	<u>13,350,650</u>	<u>10,671,198</u>

No analysis of turnover by geographical market has been disclosed as the directors believe that it would be prejudicial to the interests of the business to do so.

4. Profit on ordinary activities before taxation

Included in profit before tax are the following:

	2021	2020
	£	£
Depreciation of tangible fixed assets (note 11)	16,655	13,483
Exchange differences	<u>15,724</u>	<u>5,913</u>

5. Auditor's remuneration

	31 December 2021	30 September 2020
	£	£
Fees for the audit of these financial statements	<u>7,426</u>	<u>16,000</u>

GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

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

6. Staff numbers and cost

Staff costs, including directors' remuneration, were as follows:

	2021 £	2020 £
Wages and salaries	4,279,471	3,119,333
Social security costs	514,314	385,871
Pension costs	322,165	186,631
Share based payments (note 2.11)	139,848	53,042
	<u>5,255,798</u>	<u>3,744,877</u>

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

	2021	2020
Selling	62	53
Administration	3	3
	<u>65</u>	<u>56</u>

7. Directors' remuneration

	2021 £	2020 £
Directors' remuneration - cost of sales	367,834	210,592
Company contributions to defined contribution pension schemes	14,041	11,053
	<u>381,875</u>	<u>221,645</u>

The highest paid director received remuneration of £367,834 (2020: £210,592).

During the period, retirement benefits were accruing to one director (2020: one) in respect of defined contribution pension schemes.

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £14,041 (2020: £11,053).

GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

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

8. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the period/year	824,737	766,026
Adjustment in respect of prior years	1,581	6,726
Total current tax	826,318	772,752
Deferred tax		
Origination and reversal of timing differences	9,131	801
Impact of change in future tax rate	(5,205)	(1,923)
Adjustment in respect of prior periods/years	(1,188)	(6,067)
Total deferred tax	2,738	(7,189)
Taxation on profit	829,056	765,563

All current tax has been recognised in the profit and loss account.

Reconciliation of effective tax rate

The tax assessed for the period is based on the standard rate of corporation tax in the UK of 19% (2020 - 19%).

	2021 £	2020 £
Profit on ordinary activities before tax	4,547,628	4,005,536
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	864,049	761,052
Effects of:		
Non-deductible expenses	28,515	5,774
Share option gain	(58,696)	-
Remeasurement of deferred tax - change in UK tax rate	(5,205)	(1,923)
Adjustment in respect of prior years	393	660
Total tax charge for the period/year	829,056	765,563

GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

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

8. Taxation (continued)

Factors that may affect future tax charges

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. This is substantively enacted by the balance sheet date and its effects are included in these financial statements.

9. Dividends

	31 December 2021 £	30 September 2020 £
Interim dividends paid in respect of the current year	<u>3,000,000</u>	<u>5,000,000</u>

The dividend paid per share was £143.13 (2020: £238.55).

10. Exceptional items

	2021 £	2020 £
Exceptional items - staff costs	<u>108,271</u>	<u>-</u>

The exceptional staff cost relates to the early vesting of LTIP. This early payment was made due to the acquisition in August 2021 (see note 2.11).

GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

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

11. Tangible fixed assets

	Plant and machinery £
Cost	
At 1 October 2020	160,765
Additions	36,427
Disposals	(93,025)
At 31 December 2021	<u>104,167</u>
Depreciation	
At 1 October 2020	136,127
Charge for the period on owned assets	16,655
Disposals	(93,025)
At 31 December 2021	<u>59,757</u>
Net book value	
At 31 December 2021	<u><u>44,410</u></u>
At 30 September 2020	<u><u>24,638</u></u>

At period end there was no leased plant and machinery included within tangible fixed assets (2020: £nil).

GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

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

12. Debtors: amounts falling due within one year

	2021 £	2020 £
Trade debtors	2,473,117	2,009,883
Amounts owed by group undertakings	2,674,158	-
Prepayments and accrued income	118,332	339,282
Other taxes	54,050	91,767
Deferred taxation (see note 18)	14,734	17,472
	<u>5,334,391</u>	<u>2,458,404</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

All debtors are due within one year.

13. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	<u>461,682</u>	<u>2,778,481</u>

14. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	82,076	16,598
Amounts owed to group undertakings	445,850	513,448
Corporation tax	824,737	268,986
Other taxation and social security	113,281	145,141
Other creditors	195,273	205,435
Accruals and deferred income	1,788,564	2,579,632
	<u>3,449,781</u>	<u>3,729,240</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

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

15. Share capital - presented as equity

	2021 £	2020 £
Authorised, allotted, called up and fully paid		
20,960 Ordinary shares of £0.05 each	<u>1,048</u>	<u>1,048</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

16. Deferred taxation

	2021 £	2020 £
At beginning of period/year	17,472	10,283
Charged to the profit or loss	(2,738)	7,189
At end of period/year	<u>14,734</u>	<u>17,472</u>
Depreciation in excess of capital allowances	11,185	10,635
Short-term timing differences	3,549	6,837
Deferred tax assets	<u>14,734</u>	<u>17,472</u>

17. Events after the balance sheet date

There have been no significant events affecting the Company since the period end.

GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

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

18. Ultimate parent Company and parent Company of larger group

The Company's immediate parent entity is MFRHRC Holdings Ltd.

On 16 August 2021, UDG Healthcare plc, was acquired by Irish entity, Nenelite Limited, a newly incorporated company, established for the purposes of implementing the acquisition, being an affiliate of private equity firm, Clayton, Dubilier & Rice (CD&R). Following the acquisition, UDG Healthcare plc subsequently delisted from the Main Market of the London Stock Exchange, reregistered as a private limited company and changed its name to UDG Healthcare Limited.

During the financial period, the operating parent of the Company changed from UDG Healthcare plc to CD&R Artemis Holdco 1 Limited, a Jersey incorporated company.

CD&R Artemis Holdco 1 Limited is indirectly owned by:

- Clayton, Dubilier & Rice Fund X, L.P.; Clayton, Dubilier & Rice Fund X-A, L.P.; and CD&R Advisor Fund X, L.P., (collectively, Fund X); and
- Clayton, Dubilier & Rice Fund XI, L.P.; Clayton, Dubilier & Rice Fund XI-A, L.P.; CD&R Advisor Fund XI, L.P. (collectively, Cayman Fund XI Partnerships) and Clayton, Dubilier & Rice XI (Scotland), L.P. (Scotland Fund XI Partnership), (Cayman Fund XI Partnerships and Scotland Fund XI Partnership collectively, Fund XI).

The ultimate controlling party of Fund X and Fund XI is Clayton, Dubilier & Rice Holdings LLC (Cayman Islands).

As at 31 December 2021:

- Hunter Holdco 3 Limited was the parent undertaking of the smallest group of financial year 2021 consolidated financial statements. Copies of Hunter Holdco 3 Limited's financial year 2021 consolidated financial statements, which include the Company, are available from its registered office at 8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN.
- CD&R Royal S.a.r.l (Luxembourg), being the immediate parent company of CD&R Artemis Holdco 1 Limited throughout financial year 2021, was the parent undertaking of the largest group of financial year 2021 consolidated financial statements. Copies of CD&R Royal S.a.r.l's FY21 consolidated financial statements, which include the Company, are available from its registered office at CD&R Royal S.a.r.l, 15 Boulevard F.W. Raiffeisen, Luxembourg L-2411.

Following a group restructuring that took place in 2022, the operating parent company of the Company changed further, from CD&R Artemis Holdco 1 Limited, to a newly incorporated Jersey company, CD&R Artemis Holdco 0.5 Limited.

19. Accounting estimates and judgements

The Company's main accounting policies affecting its results and financial position are set out on pages 13 to 19. Judgements and assumptions have been made by management applying the Company's accounting policies in certain areas. Such estimates and judgements are based on historical experience and other factors, including explanation of future events which are believed to be reasonable. Actual results may differ from estimates calculated using these judgements and assumptions. There are no significant judgements and assumptions used in the financial statements.

20. Approval of financial statements

The Board of Directors approved these financial statements for issue on 16 September 2022.