

GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020



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

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**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

The directors present their report and the financial statements for the year ended 30 September 2020.

Principal activity

The company's principal activities during the year 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.

The company forms part of the Ashfield division of UDG Healthcare plc.

Results and dividends

The profit for the year, after taxation, amounted to £3,239,973 (2019: £3,013,845).

Dividends of £5,000,000 (2019: £3,400,000) were paid during the year.

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

Directors

The directors who served during the year were:

- C. McConkey
- D. Elliston

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

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.

Political donations

The Company made no political donations during the year (2019: £Nil).

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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 company 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 - The COVID-19 outbreak is an unprecedented global event whose impacts and duration are not yet fully known. A prolonged outbreak could negatively 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 at UDG Healthcare plc level 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.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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.

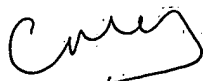
Going concern

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.



C. McConkey
Director

Date: 21 January 2021

GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

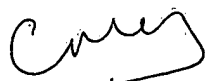
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Directors Report and the financial statements of Galliard Healthcare Communications Limited ("the Company") in accordance with applicable law and United 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



C McConkey
Director

Date: 21 January 2021

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

Opinion

We have audited the financial statements of Galliard Healthcare Communications Limited for the year ended 30 September 2020 which comprise Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 23, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 September 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements are not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Continued/...



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

Other information

The other information comprises the information included in the Directors Report. The directors are responsible for the other information.

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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of 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 year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

Continued/...

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

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.

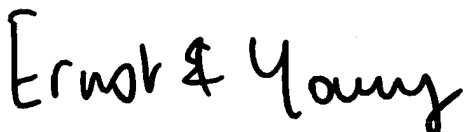
Auditor's responsibilities for the audit of the financial statements

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.

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

Use of our report

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



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

Dublin

Date:

28 January 2021

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Note	2020 £	2019 £
Turnover	3	10,671,198	9,756,609
Cost of sales		(4,738,935)	(4,490,077)
Gross profit		5,932,263	5,266,532
Administrative expenses		(1,926,727)	(1,542,874)
Other operating income	4	-	10
Profit on ordinary activities before taxation	5	4,005,536	3,723,668
Tax on ordinary activities	9	(765,563)	(709,823)
Profit for the financial year		3,239,973	3,013,845

There were no recognised gains and losses for 2020 or 2019 other than those included in the profit and loss account and therefore no statement of comprehensive income is presented.

The notes on pages 12 to 25 form part of these financial statements.

All results presented related to continuing activities.

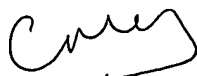
GALLIARD HEALTHCARE COMMUNICATIONS LIMITED
REGISTERED NUMBER: 03898526

BALANCE SHEET
AS AT 30 SEPTEMBER 2020

	Note	2020 £	2019 £
Fixed Assets			
Tangible fixed assets	11	24,638	24,026
Current assets			
Debtors: amounts falling due within one year	12	2,458,404	2,287,929
Cash at bank and in hand	13	2,778,481	3,496,310
		5,236,885	5,784,239
Current Liabilities			
Creditors: amounts falling due within one year	14	(3,729,240)	(2,494,092)
Net current assets		1,507,645	3,290,147
Total assets less current liabilities		1,532,283	3,314,173
Creditors: amounts falling due after more than one year	15	-	(74,905)
Net assets		1,532,283	3,239,268
Capital and reserves			
Called up share capital - presented as equity	16	1,048	1,048
Share premium		29,927	29,927
Capital redemption reserve		25	25
Other reserves		174,371	121,329
Profit and loss account		1,326,912	3,086,939
Shareholders' funds		1,532,283	3,239,268

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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



C. McConkey
 Director

Date: 21 January 2021

The notes on pages 12 to 25 form part of these financial statements.

GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR 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 12 to 25 form part of these financial statements.

GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Called up share capital- presented as equity	Share premium	Capital redemption reserve	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£	£
Balance at 1 October 2018	1,048	29,927	25	75,008	3,473,094	3,579,102
Comprehensive income for the year						
Profit for the financial year	-	-	-	-	3,013,845	3,013,845
Total comprehensive income for the year	-	-	-	-	3,013,845	3,013,845
Transactions with owners recorded directly in equity						
Dividends paid (refer note 10)	-	-	-	-	(3,400,000)	(3,400,000)
Share based payment during the year	-	-	-	46,321	-	46,321
Total transactions with owners	-	-	-	46,321	(3,400,000)	(3,353,679)
Balance at 30 September 2019	1,048	29,927	25	121,329	3,086,939	3,239,268

The notes on pages 12 to 25 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

1. General information

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

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.

The Company's ultimate parent undertaking, UDG Healthcare plc incorporated in the Republic of Ireland, includes the Company in its consolidated financial statements. The consolidated financial statements of UDG Healthcare plc are prepared in accordance with International Financial Reporting Standards and represent the largest and smallest group in which the Company is consolidated. These are available to the public and may be obtained from the Group website.

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.

2.2 Measurement convention

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

2. Accounting policies (continued)

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. In addition, the Company has received a letter of support from its ultimate parent company, UDG Healthcare plc, under which financial support would be made available to the Company, if required at a point in time, within the period of twelve months from the date of approval of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. Accounting policies (continued)

2.8 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

2. Accounting policies (continued)

2.9 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.

2.10 Equity settled share based payment transactions

The Company's ultimate parent, UDG Healthcare plc, operates share option schemes which allow employees of the group to acquire shares in UDG Healthcare plc. They are all equity-settled arrangements under IFRS 2, Share-based payments. Where UDG Healthcare plc grants options over its shares to employees of a subsidiary Company, the fair value of share entitlements granted is recognised as an employee expense in the profit and loss account with a corresponding increase in the other reserve. The fair value is determined by an external valuer using a binomial model. Share entitlements granted by UDG Healthcare plc are subject to certain non-market based vesting conditions. Non-market vesting conditions are not taken into account when estimating the fair value of entitlements as at the grant date. The expense for the share entitlements shown in the profit and loss account is based on the fair value of the total number of entitlements expected to vest and is 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.

2.11 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

2. Accounting policies (continued)

2.12 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 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.

3. Revenue

	2020	2019
	£	£
Provision of healthcare communications services	10,671,198	9,756,609
	<u> </u>	<u> </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. Other operating income

	2020	2019
	£	£
Profit on disposal of tangible assets	-	10
	<u> </u>	<u> </u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

5. Profit on ordinary activities before taxation

Included in profit before tax are the following:

	2020	2019
	£	£
Depreciation of tangible fixed assets (note 11)	13,483	29,755
Exchange differences	18,242	5,913
	31,725	35,668

6. Auditor's remuneration

	2020	2019
	£	£
Fees for the audit of these financial statements	16,000	9,000
	16,000	9,000

7. Staff numbers and cost

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

	2020	2019
	£	£
Wages and salaries	3,119,333	2,829,012
Social security costs	385,871	291,832
Pension costs	186,631	168,319
Share based payments	53,042	46,321
	3,744,877	3,335,484

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

	2020	2019
	No.	No.
Selling	53	47
Administration	3	3
	56	50

GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

8. Directors' remuneration

	2020 £	2019 £
Directors' remuneration - cost of sales	210,592	190,650
Company contributions to defined contribution pension schemes	11,053	10,850
	221,645	201,500

The highest paid director received remuneration of £210,592 (2019: £190,650).

During the year, retirement benefits were accruing to one director (2019: 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 £11,053 (2019: £10,850).

9. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	766,026	711,234
Adjustment in respect of prior years	6,726	(1,296)
Total current tax	772,752	709,938
Deferred tax		
Origination and reversal of timing differences	801	475
Impact of change in future tax rate	(1,923)	-
Adjustment in respect of prior years	(6,067)	(590)
Total deferred tax	(7,189)	(115)
Taxation on profit	765,563	709,823

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

9. Taxation (continued)

Reconciliation of effective tax rate

The tax assessed for the year is higher than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020	2019
	£	£
Profit on ordinary activities before taxation	4,005,536	3,723,668
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	761,052	707,497
Effects of:		
Non-deductible expenses	5,774	4,212
Remeasurement of deferred tax - change in UK tax rate	(1,923)	-
Adjustment in respect of prior years	660	(1,886)
Total tax charge for the year	765,563	709,823

The reduction in the UK corporation tax rate from 19% to 17%, which was substantially enacted to take effect from April 2020, was reversed as part of the UK budget during the financial year. Accordingly, the deferred tax balances as at 30 September 2020 have been calculated based on the rate of 19% (2019: 17%).

Factors that may affect future tax charges

There are no factors that may affect future tax charges.

10. Dividends

	2020	2019
	£	£
Interim dividends paid in respect of the current year	5,000,000	3,400,000

The dividend paid per share was £238.55 (2019: £162.21).

GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

11. Tangible fixed assets

	Plant and machinery £
Cost	
At 1 October 2019	147,987
Additions	14,095
Disposals	(1,317)
	160,765
Depreciation	
At 1 October 2019	123,961
Charge for the year on owned assets	13,483
Disposals	(1,317)
	136,127
Net book value	
At 30 September 2020	24,638
At 30 September 2019	24,026

At year end there was no leased plant and machinery included within tangible fixed assets (2019: £Nil).

12. Debtors: amounts falling due within one year

	2020 £	2019 £
Trade debtors	2,009,883	1,691,836
Amounts owed by group undertakings	-	108,390
Prepayments and accrued income	339,282	437,523
Other taxes	91,767	39,897
Deferred taxation (see note 18)	17,472	10,283
	2,458,404	2,287,929

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

All debtors are due within one year.

GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

13. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	<u>2,778,481</u>	<u>3,496,310</u>

14. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	16,598	93,395
Amounts owed to group undertakings	513,448	348,864
Corporation tax	268,986	476,280
Other taxation and social security	145,141	94,803
Other creditors	205,435	180,607
Accruals and deferred income	2,579,632	1,300,143
	<u>3,729,240</u>	<u>2,494,092</u>

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

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

	2020 £	2019 £
Accruals and deferred income	-	74,905
	<u>-</u>	<u>74,905</u>

16. Share capital - presented as equity

	2020 £	2019 £
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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

17. Other reserves

Other reserves relate to equity settled share based payments. The Directors considered that the additional disclosures required as per paragraph 45 (a), (c) and (d) are not material and therefore are not included in these financial statements.

18. Deferred taxation

	2020 £	2019 £
At beginning of year	10,283	10,168
Charged to the profit or loss	7,189	115
At end of year	17,472	10,283
Depreciation in excess of capital allowances	10,635	10,283
Short-term timing differences	6,837	-
Deferred tax assets	17,472	10,283

19. Related party transactions

The Company has taken advantage of the exemption in FRS 101 not to disclose transactions or balances with wholly owned subsidiaries which form part of the group.

20. Events after the balance sheet date

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

21. Ultimate parent Company and parent Company of larger group

The Company is a wholly owned subsidiary undertaking of MFRHRC Holdings Limited, an undertaking incorporated and operating in the United Kingdom. The ultimate parent undertaking is UDG Healthcare plc, a public limited company incorporated and operating in the Republic of Ireland.

The only group in which the results of the company are consolidated is that headed by UDG Healthcare plc. The consolidated financial statements of the group are available to the public and may be obtained from The secretary, UDG Healthcare plc, 20 Riverwalk, Citywest Business Campus, Citywest, Dublin 24, Ireland.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

22. Accounting estimates and judgements

The Company's main accounting policies affecting its results and financial position are set out on pages 12 to 17. 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.

23. Approval of financial statements

The Board of Directors approved these financial statements for issue on 21 January 2021.