

Company registration number 03125708 (England and Wales)

ALLUCENT (UK) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023



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ALLUCENT (UK) LIMITED

COMPANY INFORMATION

Directors	D Agroskin M A Goldberg R W Shimota P M Strothman
Secretary	C Brennan
Company number	03125708
Registered office	1st Floor One Station Square Bracknell Berkshire RG12 1QB
Auditor	UHY Hacker Young Quadrant House 4 Thomas More Square London E1W 1YW
Bankers	HSBC Bank plc 100 Brook Drive Green Park Reading Berkshire RG2 6UJ

ALLUCENT (UK) LIMITED

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ALLUCENT (UK) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present the strategic report for the year ended 31 December 2023.

Review of the business

The directors are satisfied with the level of revenue of the company and are satisfied that the company will maintain or improve this level of performance for the foreseeable future through an increase in business wins which will work out as revenue in 2024 and beyond.

During the year, turnover decreased by 20% to £15.9 million (2022: £19.9 million). Revenue is derived from sales of services, excluding value added tax, and is a key performance indicator, as it measures the output of the business. The company achieved a gross profit margin of 21% (2022: 29.9%) and a net profit margin of -14% (2022: 11.2%).

The company's cash position at the year end was good, with cash at bank and in hand of £598k (2022: £683k). The company had net current assets of £3 million (2022: £5.2 million) and net assets of £3.6 million (2022: £5.8 million) at the year end.

The directors believe the company's position in the market place remains satisfactory. Despite the challenges posed to all CRO companies by the increase on interest, the company has improved performance in 2023 and experienced a growth in business wins to fuel an expectation of further overall growth in 2024.

Principal risks and uncertainties

CRO industry

The company operates in a very competitive industry, competing with both small providers offering niche services, and large global CROs. In addition to this competition, some of the company's customers have the ability to carry out many of the CRO's activities, and thus not require a CRO's services.

Pharmaceutical industry

The company is reliant upon companies within the pharmaceutical industry continuing to outsource research and development expenditure. Any factors that affect or delay the level of outsourcing such as, but not limited to, merger and acquisition activity and lack of pipeline within the pharmaceutical industry, will impact the company's ability to generate revenue. The pharmaceutical industry, as an operating environment, has been very challenging in 2023 with the impact of increase on interest raising specific challenges around all patient and hospital based activity. This challenge has been addressed by an increase in use of remote/electronic monitoring capabilities, which will continue to play a part going forward.

On behalf of the board



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D Agroskin

Director

Date: 16/12/2024

ALLUCENT (UK) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present their annual report and financial statements for the year ended 31 December 2023.

Principal activities

The principal activity of the company continued to be that of management and consulting of clinical research trials.

Results and dividends

The results for the year are set out on page 9.

The directors do not recommend payment of an ordinary dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

D Agroskin
M A Goldberg
R W Shimota
P M Strothman

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Financial instruments

Treasury activities take place under procedures and policies monitored by the directors. They are designed to minimise the financial risks faced by the company which primarily arise from interest rate, credit and liquidity risks. It is not the policy of the company to enter into speculative transactions.

The company's principal financial instruments comprise bank balances, trade creditors, trade debtors and balances with group companies. The purpose of these instruments is to raise funds for and finance the company's operations.

In respect of bank balances, liquidity risk has been managed through continual review of the funding status of the company and its exposure to liquidity risk. The company makes use of money market facilities where funds are available.

In respect of balance with group companies, they are interest free and payable on demand. The directors are aware of the company's required finance and have determined that these will only be repaid when finance is available.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet the amounts due.

The company has no financial instruments to hedge foreign exchange exposure and does not enter into derivative transactions.

ALLUCENT (UK) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Future developments

The directors anticipate that the company will maintain or improve its level of performance for the foreseeable future through an increase in business wins which will work out as revenue in 2024 and beyond.

Auditor

In accordance with the company's articles, a resolution proposing that UHY Hacker Young be reappointed as auditor of the company will be put at a general meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Going concern

The financial statements of the company have been prepared on a going concern basis, which the directors believe to be appropriate. Pharm-Olam LLC, the ultimate parent company, has confirmed its intention to support the company, as required, to ensure that the company can meet its obligations for a period of at least one year from the date of issuance of these financial statements.

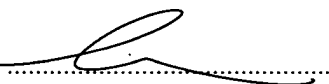
During 2023 results have continued to be impacted by increase in interest rates. Against this backdrop, revenue has increased, and the company has continued to see an increase in related new business wins, which will work out as revenue in 2024 and beyond.

After carrying out a comprehensive review and evaluation of the principal risks and uncertainties faced by the business, the directors believe that, with the ongoing support of the ultimate parent company, the company is well placed to manage its risks and cash flows effectively, and therefore that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

Medium-sized companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the medium-sized companies exemption.

On behalf of the board



D Agroskin
Director

Date: 16/12/2024

ALLUCENT (UK) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

The directors are responsible for preparing the annual 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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



UHY Hacker Young LLP
Quadrant House
4 Thomas More Square
London E1W 1YW

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALLUCENT (UK) LIMITED

Opinion

We have audited the financial statements of Allucent (UK) Limited (the 'company') for the year ended 31 December 2023 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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



UHY Hacker Young LLP
Quadrant House
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London E1W 1YW

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ALLUCENT (UK) LIMITED (CONTINUED)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our 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 rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this 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 our audit:

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

Matters on which we are required to report by exception

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ALLUCENT (UK) 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector; and
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.



UHY Hacker Young LLP
Quadrant House
4 Thomas More Square
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALLUCENT (UK) LIMITED (CONTINUED)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation and testing of journals and evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, 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.

A further description of our responsibilities is available 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.

Harriet Hodgson-Grove
Senior Statutory Auditor
For and on behalf of UHY Hacker Young

Date: 16 December 2024

Chartered Accountants
Statutory Auditor

ALLUCENT (UK) LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2023**

		2023	2022
	Notes	£	as restated £
Turnover	4	15,877,737	19,851,478
Cost of sales		(12,539,482)	(13,923,583)
Gross profit		3,338,255	5,927,895
Administrative expenses		(6,293,621)	(4,575,997)
Other operating income		737,291	1,386,836
Operating (loss)/profit	5	(2,218,075)	2,738,734
Interest payable and similar expenses	8	(3,510)	(140)
(Loss)/profit before taxation		(2,221,585)	2,738,594
Tax on (loss)/profit	9	(3,211)	(519,279)
(Loss)/profit for the financial year		<u>(2,224,796)</u>	<u>2,219,315</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

ALLUCENT (UK) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023	2022
	£	as restated £
(Loss)/profit for the year	(2,224,796)	2,219,315
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(2,224,796)</u>	<u>2,219,315</u>

ALLUCENT (UK) LIMITED**BALANCE SHEET****AS AT 31 DECEMBER 2023**

		2023		2022 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	10		96,846		111,740
Investments	11		493,468		493,468
			<u>590,314</u>		<u>605,208</u>
Current assets					
Debtors	13	18,362,970		15,296,529	
Cash at bank and in hand		597,934		683,558	
		<u>18,960,904</u>		<u>15,980,087</u>	
Creditors: amounts falling due within one year	14	<u>(15,990,688)</u>		<u>(10,799,969)</u>	
Net current assets			<u>2,970,216</u>		<u>5,180,118</u>
Net assets			<u><u>3,560,530</u></u>		<u><u>5,785,326</u></u>
Capital and reserves					
Called up share capital	16		50,000		50,000
Profit and loss reserves	17		3,510,530		5,735,326
Total equity			<u><u>3,560,530</u></u>		<u><u>5,785,326</u></u>

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 16/12/2024 and are signed on its behalf by:



D Agroskin
Director

Company registration number 03125708 (England and Wales)

ALLUCENT (UK) LIMITED**STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 DECEMBER 2023**

	Share capital	Profit and loss reserves	Total
	£	£	£
As restated for the period ended 31 December 2022:			
Balance at 1 January 2022	50,000	3,516,011	3,566,011
Year ended 31 December 2022:			
Profit and total comprehensive income	-	2,219,315	2,219,315
Balance at 31 December 2022	50,000	5,735,326	5,785,326
Year ended 31 December 2023:			
Loss and total comprehensive income	-	(2,224,796)	(2,224,796)
Balance at 31 December 2023	<u>50,000</u>	<u>3,510,530</u>	<u>3,560,530</u>

ALLUCENT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Company information

Allucent (UK) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1st Floor, One Station Square, Bracknell, Berkshire, RG12 1QB.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 ‘Statement of Financial Position’: Reconciliation of the opening and closing number of shares;
- Section 7 ‘Statement of Cash Flows’: Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instrument Issues’: Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income; and
- Section 33 ‘Related Party Disclosures’: Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Pharm-Olam Group LLC. These consolidated financial statements are available from the registrar of companies.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Clinical Services Holdings LLC, the ultimate parent company, has confirmed its intention to support the company, as required, to ensure that the company can meet its obligations for a period of at least one year from the date of issuance of these financial statements.

ALLUCENT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.3 Turnover

Revenue from contracts for the provision of services is recognised by reference to the stage of completion when the stage of completion, hours worked and hours to complete can be estimated reliably. The stage of completion is calculated by comparing hours worked as a proportion of total budgeted hours. The amount of revenue reflects the right of consideration with reference to the value of work performed. Revenue earned but not billed is included in debtors in accrued income, and amounts billed in excess of the value of work performed is included in creditors as deferred income. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	10 years straight line
Office equipment	3-5 years straight line
Fixtures & equipment	3-5 years straight line
Computer equipment	3-5 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

ALLUCENT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

ALLUCENT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.12 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

ALLUCENT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

2 Change in accounting policy

The accounting policy for revenue was reviewed in the year and aligned with the wider group policy for revenue recognition as this provided a more reliable and relevant estimation of the stage of completion of individual service contracts. Revenue from contracts for the provision of services is recognised by reference to the stage of completion when the stage of completion, hours worked and hours to complete can be estimated reliably. The stage of completion is calculated by comparing hours worked as a proportion of total budgeted hours. The amount of revenue reflects the right of consideration with reference to the value of work performed. Revenue earned but not billed is included in debtors in accrued income, and amounts billed in excess of the value of work performed is included in creditors as deferred income. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

3 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Valuation of investments

Investments held as fixed asset investments are stated at cost less any provision for impairment. The directors have assessed the recoverability of investments made and economic benefit of the investments based on the market conditions and economic forecasts.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Project completion and revenue recognition

The company's policy is to recognise revenue for projects as contract activities. For projects with multiple stages with separable identifiable revenue allocated to each stage, revenue for each stage is recognised during the completion of that stage on a percentage completion basis, which is an estimate.

ALLUCENT (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 DECEMBER 2023**4 Turnover and other revenue**

	2023	2022
	£	Restated £
Turnover analysed by class of business		
Management and consulting of clinical research trials	15,877,737	19,851,478
	<u>15,877,737</u>	<u>19,851,478</u>
	2023	2022
	£	Restated £
Turnover analysed by geographical market		
United Kingdom	6,563,406	6,792,213
Rest of Europe	1,941,794	1,353,298
Rest of the World	7,372,537	11,705,967
	<u>15,877,737</u>	<u>19,851,478</u>

The turnover for the year ended 31 December 2022 has been adjusted to be inline with the revised accounting policy provides more reliable and relevant information. The amount of restatement is £726,127 which is material to the financial statement.

5 Operating (loss)/profit

	2023	2022
	£	£
Operating (loss)/profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	400,226	(210,327)
Fees payable to the company's auditor for the audit of the company's financial statements	42,600	55,000
Depreciation of owned tangible fixed assets	45,611	43,245
Operating lease charges	183,866	180,110
	<u>183,866</u>	<u>180,110</u>

ALLUCENT (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 DECEMBER 2023**6 Employees**

The average monthly number of persons (including directors) employed by the company during the year was:

	2023	2022
	Number	Number
Clinical	29	43
Business development	8	5
Administration	16	13
Quality assurance	3	4
Total	<u>56</u>	<u>65</u>

Their aggregate remuneration comprised:

	2023	2022
	£	£
Wages and salaries	5,486,339	4,571,883
Social security costs	587,048	517,837
Pension costs	383,128	280,689
	<u>6,456,515</u>	<u>5,370,409</u>

7 Directors' remuneration

Four directors (2022 - five) received no remuneration in respect of services to the company, as their services to the company were incidental.

8 Interest payable and similar expenses

	2023	2022
	£	£
Other interest	<u>3,510</u>	<u>140</u>

ALLUCENT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

9 Taxation

	2023 £	2022 £
Current tax		
UK corporation tax on profits for the current period	-	378,543
Adjustments in respect of prior periods	-	144,239
Total UK current tax	-	522,782
Foreign current tax on profits for the current period	3,211	-
Total current tax	3,211	522,782
Deferred tax		
Origination and reversal of timing differences	-	(3,503)
Total tax charge	3,211	519,279

The actual charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023 £	2022 £
(Loss)/profit before taxation	(2,221,585)	2,738,594
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 23.52% (2022: 19.00%)	(522,517)	520,333
Tax effect of expenses that are not deductible in determining taxable profit	1,025	322
Adjustments in respect of prior years	-	144,239
Research and development tax credit	228	(139,695)
Fixed asset timing differences	1,966	64
Deferred tax adjustments	520,053	(6,815)
Other tax adjustments	-	(111)
Foreign tax expense	2,456	942
Taxation charge for the year	3,211	519,279

ALLUCENT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

10 Tangible fixed assets

	Leasehold improvements	Office furniture	Fixtures & equipment	Computer equipment	Total
	£	£	£	£	£
Cost					
At 1 January 2023	167,189	69,184	441,872	1,331,535	2,009,780
Additions	-	8,283	-	22,434	30,717
At 31 December 2023	167,189	77,467	441,872	1,353,969	2,040,497
Depreciation and impairment					
At 1 January 2023	91,954	68,229	441,158	1,296,699	1,898,040
Depreciation charged in the year	16,719	1,359	390	27,143	45,611
At 31 December 2023	108,673	69,588	441,548	1,323,842	1,943,651
Carrying amount					
At 31 December 2023	58,516	7,879	324	30,127	96,846
At 31 December 2022	75,235	955	714	34,836	111,740

11 Fixed asset investments

	Notes	2023 £	2022 £
Investments in subsidiaries	12	341,348	341,348
Loans to subsidiaries	12	152,120	152,120
		493,468	493,468

12 Subsidiaries

Details of the company's subsidiaries at 31 December 2023 are as follows:

ALLUCENT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

12 Subsidiaries

(Continued)

Name of undertaking	Registered office	Class of shares held	% Held Direct
Allucent (Belgium) BVBA	Dorp 14 a, Testelt, 3272, Belgium	Ordinary	99.00
Pharm-Olam International Deutschland GmbH	Ingolstädter Str. 20, 80807 München, Germany	Ordinary	100.00
Allucent (IT) S.R.L.	Piazza Buonarroti 32, 20145 Milano, Italy	Ordinary	100.00
Allucent (FR) SAS	20 rue Lafitte, 75009, Paris, France	Ordinary	100.00
Allucent (ES) SL	C/Orense 34 planta 10 Oficina Pharm-Olam 28020 Madrid Spain	Ordinary	100.00
Allucent (PL) (Polska) Sp z.o.o.	17B Postepu Street, Warsaw 02-676, Poland	Ordinary	100.00
Allucent DOO Beograd	Belgrade Office Park, Dorda Stanojevic 14, Belgrade 11070, Serbia	Ordinary	100.00
Pharm-Olam International s.r.o.	Doudlebská 1699/5, 140 00 Prague 4, Czech Republic	Ordinary	100.00
Allucent (India) Pvt. Ltd	No. 15, KMJ Arcadia, 1 Floor, Industrial Main Rd, Koramangala, 5th Block, Bangalore - 560 095, India	Ordinary	100.00
Allucent Klinik Arastirma Ve Deney Ticaret Limited Sirketi	Merkez Mah. Baglar Caddesi No: 14 C4-5, Block TT04-J Kagithane Ofic Park, Isatnbul, 34406, Turkey	Ordinary	100.00
Allucent (HU) Kft	Tomori utca 34, Budapest 1138, Hungary	Ordinary	100.00
Pharm-Olam International d.o.o	Radnika cesta 39, Zagreb 10000, Croatia	Ordinary	100.00
Allucent Research Israel Ltd	2 Habarzel Street, Tel Aviv, 6971002, Israel	Ordinary	100.00
Pharm-Olam (Bulgaria) EOOD	55 Parchevich Str. 1000 Sofia, Bulgaria	Ordinary	100.00

All of the subsidiaries above carry out the management and consulting of clinical research trials except Pharm-Olam (Bulgaria) EOOD, which is dormant.

The company, together with its subsidiaries above, are included in the consolidated financial statements of Allucent Group (UK) Limited. Allucent Research Israel Limited and Pharm-Olam (Bulgaria) EOOD are not included in the consolidated group results as these entities are immaterial for group purposes.

13 Debtors

	2023	2022
		Restated
Amounts falling due within one year:	£	£
Trade debtors	800,064	200,665
Corporation tax recoverable	1,874,588	1,028,110
Amounts owed by group undertakings	12,054,044	9,409,129
Other debtors	22,944	216,897
Prepayments	129,358	173,922
Accrued income	3,481,972	4,267,806
	<u>18,362,970</u>	<u>15,296,529</u>

ALLUCENT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

14 Creditors: amounts falling due within one year

	Notes	2023 £	2022 Restated £
Trade creditors		464,436	631,697
Amounts owed to group undertakings		8,294,866	4,513,328
Taxation and social security		183,481	175,632
Deferred income		2,909,137	2,726,522
Other creditors		1,867,743	390,782
Accruals		2,271,025	2,362,008
		<u>15,990,688</u>	<u>10,799,969</u>

15 Retirement benefit schemes

	2023 £	2022 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>383,128</u>	<u>280,689</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

16 Share capital

	2023 Number	2022 Number	2023 £	2022 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

17 Profit and loss reserves

Profit and loss reserves represent cumulative profits, losses and other recognised gains and losses made by the company, including distributions.

ALLUCENT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

18 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	127,549	142,832
Between two and five years	298,181	422,611
	<u>425,730</u>	<u>565,443</u>

19 Related party transactions

The company has taken advantage of the exemption available in FRS 102 "Related party disclosures" whereby it has not disclosed transactions with the immediate parent company or any subsidiary undertakings in the group.

Included in debtors is an amount due from a former director of £nil (2022: £nil).

20 Ultimate controlling party

Allucent (UK) Limited is a wholly owned subsidiary of Allucent Group (UK) Limited, a company registered in England and Wales and the smallest group in which results of the company are consolidated. The registered office of Allucent Group (UK) Limited is One Station Square 1st Floor, Station Square, Bracknell, Berkshire, RG12 1QB. The consolidated financial statements of the immediate parent company can be obtained from the registrar of companies.

Allucent Group (UK) Limited is wholly owned by Pharm-Olam LLC. The company's ultimate controlling party is Clinical Services Holdings LLC.

21 Prior period adjustment

The turnover for the year ended 31 December 2022 has been adjusted to be inline with the revised accounting policy for revenue as the revised accounting policy provides more reliable and relevant recognition of revenue. The amount of restatement is £726,127 which is material to the financial statement.

ALLUCENT (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

21	Prior period adjustment	(Continued)
	Reconciliation of changes in equity	
		31 December
		2022
		£
	Adjustments to prior year	
	Revenue restatement	726,127
	Cost of Sales restatement	(364,096)
	Tax expenses restatement	(68,786)
	Total adjustments	293,245
	Equity as previously reported	5,492,081
	Equity as adjusted	5,785,326
	Analysis of the effect upon equity	
	Profit and loss reserves	293,245
		293,245
	Reconciliation of changes in profit for the previous financial period	
		2022
		£
	Adjustments to prior year	
	Revenue restatement	726,127
	Cost of Sales restatement	(364,096)
	Tax expenses restatement	(68,786)
	Total adjustments	293,245
	Profit as previously reported	1,926,070
	Profit as adjusted	2,219,315
