

Registered number: 03898526

GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019



GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

COMPANY INFORMATION

Directors
C. McConkey
D. Elliston (appointed 1 October 2018)
C. Corbin (resigned 1 October 2018)
V. Adshead (resigned 1 October 2018)

Registered number 03898526

Registered office
Ashfield House
Resolution Road
Ashby de la Zouch
Leicestershire
LE65 1HW

Independent auditors
Ernst & Young
Chartered Accountants
Harcourt Centre
Harcourt Street
Dublin 2

Bankers
National Westminster Bank plc
6 Grange Road West
Charing Cross
Birkenhead
CH41 4DF

Solicitors
Pinsent Masons LLP
3 Hardman Street
Manchester
M3 3AU

GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

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GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019

The directors present their report and the financial statements for the year ended 30 September 2019.

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. Additionally, the company licences intellectual property as well as providing strategic value added services to the Ashfield Healthcare Communications division entities.

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

Results and dividends

The profit for the year, after taxation, amounted to £3,013,845 (2018 - £2,791,876).

Dividends of £3,400,000 (2018: £2,000,000) 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 (appointed 1 October 2018)
C. Corbin (resigned 1 October 2018)
V. Adshead (resigned 1 October 2018)

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 (2018: £Nil).

GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2019

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; and
- Acquisitions and mergers within the pharmaceutical industry which can delay or reduce spending on certain products in their portfolios.
- 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 (see note 20)

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.

GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019

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

Subsequent to the balance sheet date, the outbreak of COVID-19 was declared a global pandemic by the World Health Organisation. The Company continues to operate, and the directors are actively monitoring the impact of COVID-19 on the Company. The directors have assessed the impact of the post balance event on the carrying value of the Company's assets and liabilities at 30 September 2019 and have not determined there to be any adjustment required to the carrying values.

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: 26 JUNE 2020

GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

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

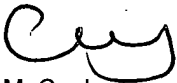
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Directors Report and the financial statements of Galliard Healthcare Communications Limited ("the Company") in accordance with applicable law and United 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: 26 June 2020



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 2019 which comprise Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 24, 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 2019 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/...



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working world**

**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

Ernst & Young

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

Dublin

Date:

2 July 2020

GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Note	2019 £	2018 £
Turnover	3	9,756,609	8,470,852
Cost of sales		(4,490,077)	(3,637,911)
Gross profit		5,266,532	4,832,941
Administrative expenses		(1,542,874)	(1,371,252)
Other operating income	4	10	-
Profit on ordinary activities before taxation	5	3,723,668	3,461,689
Tax on ordinary activities	9	(709,823)	(669,813)
Profit for the financial year		3,013,845	2,791,876

There were no recognised gains and losses for 2019 or 2018 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 24 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 2019

	Note	2019 £	2018 £
Fixed Assets			
Tangible fixed assets	11	24,026	44,915
Current assets			
Debtors	12	2,287,929	2,280,995
Cash at bank and in hand	13	3,496,310	3,553,170
		<u>5,784,239</u>	<u>5,834,165</u>
Current Liabilities			
Creditors: amounts falling due within one year	14	(2,494,092)	(2,299,978)
Net current assets		<u>3,290,147</u>	<u>3,534,187</u>
Total assets less current liabilities		<u>3,314,173</u>	<u>3,579,102</u>
Creditors: amounts falling due after more than one year	15	(74,905)	-
Net assets		<u>3,239,268</u>	<u>3,579,102</u>
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		121,329	75,008
Profit and loss account		3,086,939	3,473,094
Shareholders' funds		<u>3,239,268</u>	<u>3,579,102</u>

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: 26 JUNE 2020

The notes on pages 12 to 24 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 24 form part of these financial statements.

GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Called up share capital- presented as equity	Share premium account	Capital redemption reserve	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£	£
Balance at 1 October 2017	1,048	29,927	25	28,218	2,681,218	2,740,436
Comprehensive income for the year						
Profit for the financial year	-	-	-	-	2,791,876	2,791,876
Total comprehensive income for the year	-	-	-	-	2,791,876	2,791,876
Transactions with owners recorded directly in equity						
Dividends paid (refer note 10)	-	-	-	-	(2,000,000)	(2,000,000)
Share based payment during the year	-	-	-	46,790	-	46,790
Total transactions with owners	-	-	-	46,790	(2,000,000)	(1,953,210)
Balance at 30 September 2018	1,048	29,927	25	75,008	3,473,094	3,579,102

The notes on pages 12 to 24 form part of these financial statements.

GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

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 "Revenue from Contracts with Customers" paragraph 110 (second sentence), 113(a), 114, 115, 118, 119 (a) to (c), 120 to 127 and 129

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.

GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

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.

2.4 Turnover

Turnover represents the value of services rendered to third parties, net of value added tax and is stated after deduction of trade discounts and commissions. Turnover also includes intercompany recharges.

Revenue is recognised based on hours charged at the agreed rate.

Amounts received on contracts in advance of revenues recognised are recorded as deferred income. Amounts earned on contracts and recognised in revenue but have not yet been invoiced to the customer are recognised as accrued income.

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.

GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. Accounting policies (continued)

2.7 Intra group financial instruments

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

2.8 Impairment

Financial assets

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

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

Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

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

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

GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

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.

GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

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. Turnover

	2019 £	2018 £
Provision of healthcare communications services	<u>9,756,609</u>	<u>8,470,852</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

	2019 £	2018 £
Profit on disposal of tangible assets	<u>10</u>	<u>-</u>

GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

5. Profit on ordinary activities before taxation

Included in profit before tax are the following:

	2019	2018
	£	£
Depreciation of tangible fixed assets (note 11)	29,755	35,447
Exchange differences	5,913	1,300
	29,755	35,447

6. Auditor's remuneration

	2019	2018
	£	£
Fees for the audit of these financial statements	9,000	16,251
	9,000	16,251

7. Staff numbers and cost

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

	2019	2018
	£	£
Wages and salaries	2,829,012	2,382,221
Social security costs	291,832	275,548
Pension cost	168,319	148,123
Share based payments	46,321	46,790
	3,335,484	2,852,682

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

	2019	2018
	No.	No.
Selling	47	42
Administration	3	2
	50	44

GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

8. Directors' remuneration

	2019 £	2018 £
Directors' remuneration - cost of sales	190,650	-
Company contributions to defined contribution pension schemes	10,850	-
	201,500	-
	201,500	-

The highest paid director received remuneration of £190,650 (2018: £0).

During the year, retirement benefits were accruing to one director (2018: none) 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 £11k (2018: £nil).

9. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	711,234	671,342
Adjustment in respect of prior years	(1,296)	596
Total current tax	709,938	671,938
Deferred tax		
Origination and reversal of timing differences	475	(1,789)
Adjustment in respect of prior years	(590)	(336)
Total deferred tax	(115)	(2,125)
Taxation on profit	709,823	669,813

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

GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

9. Taxation (continued)

Reconciliation of effective tax rate

The tax assessed for the year is higher than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before taxation	<u>3,723,668</u>	<u>3,461,689</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	707,497	657,721
Effects of:		
Non-deductible expenses	4,212	11,832
Adjustment in respect of prior years	(1,886)	260
Total tax charge for the year	<u>709,823</u>	<u>669,813</u>

Factors that may affect future tax charges

The reduction in the UK corporation tax rate to 17% with effect from April 2020 was substantially enacted at the balance sheet date, however this reduction from 19% to 17% was reversed as part of the UK budget post year end. Accordingly, the deferred tax balances at 30 September 2019 have been calculated based on the rate of 17% (2018: 17%).

10. Dividends

	2019 £	2018 £
Interim dividends paid in respect of the current year	<u>3,400,000</u>	<u>2,000,000</u>

The dividend paid per share was £162.21 (2018: £95.42).

GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

11. Tangible fixed assets

	Plant and machinery £
Cost	
At 1 October 2018	157,152
Additions	9,206
Disposals	(18,371)
At 30 September 2019	<u>147,987</u>
Depreciation	
At 1 October 2018	112,237
Charge for the year on owned assets	29,755
Disposals	(18,031)
At 30 September 2019	<u>123,961</u>
Net book value	
At 30 September 2019	<u><u>24,026</u></u>
At 30 September 2018	<u><u>44,915</u></u>

At year end there was no leased plant and machinery included within tangible fixed assets (2018: £Nil).

GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

12. Debtors

	2019 £	2018 £
Trade debtors	1,691,836	1,477,905
Amounts owed by group undertakings	108,390	-
Other debtors	-	13,072
Prepayments and accrued income	437,523	708,083
Other taxes	39,897	71,767
Deferred taxation (see note 17)	10,283	10,168
	<u>2,287,929</u>	<u>2,280,995</u>

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

All debtors are due within one year.

13. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	<u>3,496,310</u>	<u>3,553,170</u>

14. Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	93,395	68,303
Amounts owed to group undertakings	348,864	327,073
Corporation tax	476,280	323,860
Other taxation and social security	94,803	92,892
Other creditors	180,607	141,683
Accruals and deferred income	1,300,143	1,346,167
	<u>2,494,092</u>	<u>2,299,978</u>

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

GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

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

	2019 £	2018 £
Accruals and deferred income	74,905	-
	<u>74,905</u>	<u>-</u>

16. Share capital - presented as equity

	2019 £	2018 £
Authorised, allotted, called up and fully paid 20,960 Ordinary shares of £0.05 each	1,048	1,048
	<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.

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.

GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

18. Deferred tax assets and liabilities

	Assets 2019 £	Assets 2018 £
Tangible fixed assets	10,283	8,898
Provisions	-	1,270
	10,283	10,168

Movement in deferred tax during the year

	1 Oct 2018 £	Recognised in income £	30 Sep 2019 £
Tangible fixed assets	8,898	1,385	10,283
Provisions	1,270	(1,270)	-
	10,168	115	10,283

Movement in deferred tax during the prior year

	1 Oct 2017 £	Recognised in income £	30 Sep 2018 £
Tangible fixed assets	7,703	1,195	8,898
Provisions	340	930	1,270
	8,043	2,125	10,168

19. Commitments under operating leases

The Company had no commitments under the non-cancellable operating leases as at the balance sheet date.

20. 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.

GALLIARD HEALTHCARE COMMUNICATIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

21. Events after the balance sheet date

Subsequent to the balance sheet date, the outbreak of COVID-19 was declared a global pandemic by the World Health Organisation. The Company continues to operate, and the directors are actively monitoring the impact of COVID-19 on the Company. The directors have assessed the impact of the post balance event on the carrying value of the Company's assets and liabilities at 30 September 2019 and have not determined there to be any adjustment required to the carrying values.

22. 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.

23. Accounting estimates and judgements

The Company's main accounting policies affecting its results and financial position are set out on pages 11 to 15. 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.

24. Approval of financial statements

The Board of Directors approved these financial statements for issue on 26 JUNE 2020