

Registered number
03835531

Auden Mckenzie (Pharma Division) Limited

Annual report and financial statements

For the year ended 31 December 2021

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Auden Mckenzie (Pharma Division) Limited

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Auden Mckenzie (Pharma Division) Limited

Company Information

Directors

Dean Cooper
Stephen Charlesworth

Independent auditors

PricewaterhouseCoopers LLP
Central Square
29 Wellington Street
Leeds
LS1 4DL

Bankers

Barclays Bank Plc
Churchill Place
Canary Wharf
London
E14 5HP

Registered office

Ridings Point
Whistler Drive
Castleford
England
WF10 5HX

Registered number

03835531

Auden Mckenzie (Pharma Division) Limited

Strategic Report for the year ended 31 December 2021

The directors present their strategic report of the company for the year ended 31 December 2021.

Review of the business

The company had net assets of £196,880,091 at 31 December 2021 (2020: £185,801,236) which the directors believe to represent a solvent position.

Key Performance Indicators:

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Turnover	3,614,930	8,112,462
Gross profit	3,614,930	8,112,462
Operating profit	3,298,500	8,654,680
Profit for the financial year	11,078,855	9,928,105
Net assets	196,880,091	185,801,236

The decrease in turnover during the year is due to decreased sales of goods by other group entities, for which the company holds licences. The decrease in turnover has been offset by an increase in interest receivable from group undertakings mainly as a result of the company entering into a 10 year deposit agreement with a fellow group undertaking during 2020 (further details can be found in note 9). The increase reflects the fact that a full year's interest was received in 2021, whereas in 2020 this only represented interest on the long term loan for part of the year.

Company's policy on payments to creditors

The company's policy on payments to trade creditors is to agree the terms at the outset of any contract and in advance of the provision of goods and services. Payments are made in accordance with the agreed terms and any other contractual or legal obligations.

Principal risks and uncertainties

The directors consider that the key business risks and uncertainties affecting the company relate to competition from other manufacturers and distributors of pharmaceutical products. The company's financial performance is dependent on the other group companies' financial performances from sales of goods for which the company holds licences and derives income. These group companies seek to mitigate competition risk by evaluating portfolio performance, leveraging global supply chain routes, and developing go-to-market strategies.

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of changes in interest rates, liquidity risk, regulatory risk and foreign exchange risk. The company seeks to limit the effects of such risks through the continuing support of its ultimate parent company.

The company has policies to ensure compliance with pharmaceutical regulations. The company manages this risk through the support of the group's regulatory functions.

Auden Mckenzie (Pharma Division) Limited

Strategic Report for the year ended 31 December 2021 (continued)


Financial risk management (continued)

The company manages its liquidity risk by ensuring that sufficient facilities are available for at least the next 12 months and enjoys the support of shareholders and group banking arrangements.

Interest rate risk arises as a consequence of borrowings from group undertakings, the borrowings from which are at variable rates of interest. The company does not use derivative financial instruments to manage interest rate costs and as such no hedge accounting is applied.

The company is exposed to movements in foreign currency exchange rates as a result of transactions in foreign currencies. The company does not hedge against currency risks associated with such transactions.

On behalf of the board:

DocuSigned by:

02DD0DDC643E481...
D Cooper

Director

Date: 18-Aug-2022 | 11:04 BST

Auden Mckenzie (Pharma Division) Limited

Directors' Report for the year ended 31 December 2021

The directors present their annual report and audited financial statements of the company for the year ended 31 December 2021.

Principal activities and future developments

The principal activity of the company is limited to receiving income from its intangible assets and incurring related expenses associated with holding licences for goods sold by other group entities. The directors expect this activity to continue for the foreseeable future.

Results and dividends

The profit for the financial year was £11,078,855 (2020: £9,928,105). During the year the company did not pay a dividend (2020: £nil). The directors do not recommend the payment of a final dividend (2020: £nil).

Political and charitable donations

The company made no political or charitable donations during the year (2020: £nil).

Financial instruments and risk management

The company's major financial instruments comprise amounts due to and from fellow group undertakings. The main objective of these instruments is to help manage the group's financial risks. Further details can be found in the strategic report on pages 2 and 3.

Directors

The following persons served as directors during the year and up to the date of signing the financial statements:

S Charlesworth
D Cooper

Directors' indemnities

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

Going concern

The directors believe that preparing the financial statements on a going concern basis is appropriate due to the continued financial support of Teva Pharmaceuticals Europe B.V., a fellow group company. The directors have received confirmation from Teva Pharmaceuticals Europe B.V. that it has pledged its continuing support for a minimum of 12 months from the date of signing these financial statements.

Auden Mckenzie (Pharma Division) Limited

Directors' Report for the year ended 31 December 2021 (continued)

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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.


The directors are also 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

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The financial statements were approved by the Board of Directors and signed on its behalf by:

DocuSigned by:

D2DD0DDC643E481...

D Cooper

Director

Date: 18-Aug-2022 | 11:04 BST

Auden Mckenzie (Pharma Division) Limited

Independent auditors' report to the members of Auden Mckenzie (Pharma Division) Limited

Report on the audit of the financial statements

Opinion

In our opinion, Auden Mckenzie (Pharma Division) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2021; the profit and loss account and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Auden Mckenzie (Pharma Division) Limited

Independent auditors' report to the members of Auden Mckenzie (Pharma Division) Limited (continued)

Reporting on other information (continued)

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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

Auditors' 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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK competition law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as UK tax legislation and the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the recoverability of debtors and adjustments related to revenue and transfer pricing. Audit procedures performed by the engagement team included:

Auden Mckenzie (Pharma Division) Limited

Independent auditors' report to the members of Auden Mckenzie (Pharma Division) Limited (continued)

Responsibilities for the financial statements and the audit (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

- discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- reviewing the financial position of the debtor counterparties to gain comfort over recoverability;
- considering information up to the date of approval of the financial statements to assess the accuracy of transfer pricing and revenue adjustments recorded in the financial statements; and
- reviewing financial statement disclosures and testing to supporting documentation, where appropriate, to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. 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 for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

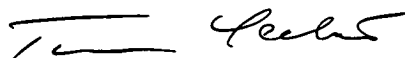
Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Tom Yeates (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds
18 August 2022

Auden Mckenzie (Pharma Division) Limited

Profit and loss account for the year ended 31 December 2021

	Note	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Turnover	2	3,614,930	8,112,462
Gross profit		3,614,930	8,112,462
Administrative expenses		(914,092)	(467,211)
Other operating income		597,662	1,009,429
Operating profit	3	3,298,500	8,654,680
Interest receivable and similar income	5	9,266,164	3,619,852
Interest payable and similar expenses	6	(161,429)	-
Profit before taxation		12,403,235	12,274,532
Tax on profit	7	(1,324,380)	(2,346,427)
Profit for the financial year		11,078,855	9,928,105

All activities in the current and prior year relate to continuing operations.

There were no other items of comprehensive income in the current or preceding financial year and hence a separate Statement of Other Comprehensive Income has not been presented.

The notes on pages 12 to 18 form part of these financial statements.


Auden Mckenzie (Pharma Division) Limited

Balance sheet as at 31 December 2021

	Note	31 December 2021 £	31 December 2020 £
Fixed assets			
Intangible assets	8	-	-
Current assets			
Debtors (including £176,000,000 (2020: £176,000,000) due after more than one year)	9	230,857,264	248,185,188
Cash at bank and in hand		19,759	39,665
		230,877,023	248,224,853
Creditors: amounts falling due within one year	10	(33,996,932)	(62,423,617)
Net current assets		196,880,091	185,801,236
Total assets less current liabilities and net assets		196,880,091	185,801,236
Capital and reserves			
Called up share capital	11	1,000	1,000
Profit and loss account		196,879,091	185,800,236
Total shareholders' funds		196,880,091	185,801,236

The notes on pages 12 to 18 form part of these financial statements.

The financial statements on pages 9 to 18 were approved and authorised for issue by the Board of Directors and signed on its behalf by:

DocuSigned by:

 D2DD0DDC643E481...
D Cooper

Director

Date: 18-Aug-2022 | 11:04 BST

Registered number: 03835531

Auden Mckenzie (Pharma Division) Limited

Statement of changes in equity for the year ended 31 December 2021

	Called up share capital	Profit and loss account	Total shareholders' funds
	£	£	£
At 1 January 2020	1,000	175,872,131	175,873,131
Profit for the financial year	-	9,928,105	9,928,105
At 31 December 2020	1,000	185,800,236	185,801,236
Profit for the financial year	-	11,078,855	11,078,855
At 31 December 2021	1,000	196,879,091	196,880,091

Auden Mckenzie (Pharma Division) Limited

Notes to the financial statements for the year ended 31 December 2021

1 Accounting policies

General Information

The company is a private company limited by shares and is incorporated in the United Kingdom under the Companies Act 2006 and registered in England. The address of its registered office is set out on page 1.

Statement of Compliance

The financial statements of Auden Mckenzie (Pharma Division) Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102") and in accordance with the Companies Act 2006.

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis and under the historical cost convention. The preparation is in conformity with FRS 102 and requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. Critical accounting judgements and estimates made by management are described on page 14.

Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

Cash flow statement

The company has taken advantage of the exemption, under FRS 102 paragraph 1.12 (b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, Teva Pharmaceutical Industries Limited, includes the company's cash flows in its own consolidated financial statements.

Going concern

The directors believe that preparing the financial statements on a going concern basis is appropriate due to the continued financial support of Teva Pharmaceuticals Europe B.V., a fellow group company. The directors have received confirmation from Teva Pharmaceuticals Europe B.V. that it has pledged its continuing support for a minimum of 12 months from the date of signing these financial statements.

Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments. Basic financial assets and liabilities, including cash and amounts due to or from fellow group companies are initially recognised at transaction price. If the arrangement constitutes a financing transaction, it is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets are derecognised when the contractual rights to the cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Auden Mckenzie (Pharma Division) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

1 Accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Exchange gains and losses are recognised in the profit and loss account.

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£), which is also the company's functional currency.

Turnover

Turnover represents the value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. Revenue is recognised at the point of completion of the performance of services and the amount of revenue can be measured reliably.

Intangible assets

Intangible assets, which consist of purchased product licences, are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives of 5 years.

Where factors such as technological advancement, commercial factors or changes in market price, indicate that residual value or useful economic life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances. The carrying value of intangible assets is periodically reviewed for such events or changes in circumstances, which may indicate that the carrying value is not recoverable and a provision for impairment is made accordingly. Equally where the recoverable amount of product licences impaired in previous periods exceeds the carrying amount previously held, the reversal of previous impairments is possible, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined net of amortisation had no impairment loss been recognised in the prior period.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

a) Current taxation

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates the position taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Auden Mckenzie (Pharma Division) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

1 Accounting policies (continued)

Critical accounting estimates and judgements

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, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Critical judgements in applying the entity's accounting policies

The following critical judgement has had the most significant effect on amounts recognised in the financial statements:

(i) Useful economic life of intangible assets

The company makes a judgement of the useful economic lives of its licensing intangible assets. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives.

(b) Critical accounting estimates and assumptions

There are no critical accounting estimates and assumptions that had a significant effect on the amounts recognized in the financial statements.

2 Turnover

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
By activity:		
Licensing income	<u>3,614,930</u>	<u>8,112,462</u>
By geographical market:		
UK	1,444,455	1,013,023
Europe	<u>2,170,475</u>	<u>7,099,439</u>
Total	<u>3,614,930</u>	<u>8,112,462</u>

Auden Mckenzie (Pharma Division) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

3 Operating profit

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
This is stated after charging/(crediting):		
Foreign exchange losses/(gains)	325,635	(509,353)

Auditors' remuneration for the audit of the company of £13,021 (2020: £12,401) was borne by a fellow group undertaking, Teva UK Limited, as a combined fee for the group. No recharge (2020: £nil) was made to Auden Mckenzie (Pharma Division) Limited for this. Auditors' remuneration for non-audit services during the year was £nil (2020: £nil).

4 Employees and directors

The company has no employees (2020: none) and therefore there are no employee costs for disclosure. The directors did not receive any emoluments in respect of their services to the company (2020: £nil). There were no other transactions with directors (2020: none). The emoluments of the directors are paid by a fellow group company, Teva UK Limited, which made no recharge (2020: £nil) to the company. The directors are directors of a number of other group companies and it is not possible to make an accurate apportionment of their emoluments in respect of each of the companies.

The company does not operate any retirement benefit schemes.

5 Interest receivable and similar income

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Interest receivable from group undertakings	9,266,164	3,619,852

6 Interest payable and similar expenses

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Interest payable to group undertakings	161,429	-

Auden Mckenzie (Pharma Division) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

7	Tax on profit	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Analysis of charge in year			
Current tax:			
	UK corporation tax on profits for the year	1,324,377	2,332,161
	Adjustments in respect of prior periods	3	14,266
	Total current tax charge	1,324,380	2,346,427
	Tax on profit	1,324,380	2,346,427

Factors affecting tax charge for year

The differences between the tax assessed for the year and the standard rate of corporation tax are explained as follows:

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Profit before taxation	12,403,235	12,274,532
Profit before taxation multiplied by the standard rate of UK corporation tax of 19% (2020: 19%).	2,356,615	2,332,161
Effects of:		
Adjustments in respect of prior periods	3	14,266
Group relief claimed	(1,032,238)	-
Total tax charge for year	1,324,380	2,346,427

The standard rate of UK corporation tax is 19% and this took effect from 1 April 2017. However, in March 2021, the Finance Bill 2021 included measures to increase the standard rate of UK corporation tax to 25% with effect from 1 April 2023. The Finance Bill 2021 was enacted during May 2021 and therefore any deferred taxes on the balance sheet would be measured at 25% (2020: 19%), which represents the future corporation tax rate that was enacted at the balance sheet date and that is expected to apply to the reversal of the timing difference.

Auden Mckenzie (Pharma Division) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

8 Intangible assets

£

Product licences:

Cost

At 1 January 2021 and 31 December 2021

14,035,500

Accumulated amortization

At 1 January 2021 and 31 December 2021

14,035,500

Net book value:

At 1 January 2021 and 31 December 2021

-

9 Debtors

2021

2020

£

£

Amounts owed by group undertakings

230,857,264

248,185,188

Amounts owed by group undertakings includes £176,000,000 (2020: £176,000,000) owed by group undertakings falling due after more than one year as a result of the company entering into a 10 year deposit agreement with a fellow group undertaking. This amount is receivable during 2030, with interest charged equal to the aggregate of the three month London Inter-Bank Offered Rate (LIBOR) plus 5.0283% per annum.

Other amounts owed to group undertakings are interest free. No security is held for amounts owed to group undertakings which have no fixed repayment date and all of which are repayable on demand.

Auden Mckenzie (Pharma Division) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

10	Creditors: amounts falling due within one year	2021	2020
		£	£
	Trade creditors	388,424	186,598
	Amounts owed to group undertakings	33,358,551	60,974,836
	Corporation tax	249,957	1,257,738
	Other taxation and social security	-	4,445
		<u>33,996,932</u>	<u>62,423,617</u>

Interest on a loan owed to Teva Financial Services II B.V. is charged at the one month London Inter-Bank Offered Rate plus 2.2762%. Other amounts owed to group undertakings are interest free. No security is held for amounts owed to group undertakings which have no fixed repayment date and all of which are repayable on demand.

11	Called up share capital	2021	2020
		£	£
	Allotted, called up and fully paid		
	1,000 (2020: 1,000) Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

12 Related party transactions

The company has no transactions with related parties other than those with fellow group companies which are also wholly owned within the same group. In accordance with paragraph 33.1A of FRS 102, these transactions with group members are exempt from disclosure.

13 Controlling parties

The immediate parent company is Auden Mckenzie Holdings Limited, a company incorporated in the UK.

The directors regard Teva Pharmaceutical Industries Limited, a company incorporated in Israel, as the ultimate parent company and controlling party.

The smallest and largest group into which the results of the company are consolidated is that of the ultimate parent company. Copies of the ultimate parent's consolidated financial statements may be obtained from 124 Dvora HaNevi'a St., Tel Aviv, 6944020, Israel.