

Company registration number: 05654655



Alliance UniChem IP Limited
Annual report and financial statements
for the year ended 31 August 2021

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Alliance UniChem IP Limited

Strategic report

for the year ended 31 August 2021

Principal activities

Until 1 June 2021, Alliance UniChem IP Limited (the "Company")'s principal activity was the ownership and development of certain intellectual property relating to the Walgreens Boots Alliance, Inc. group.

From 1 June 2021, the Company's principal activity was the ownership and development of certain intellectual property relating to the AmerisourceBergen Corporation group (the "Group"). The company is a wholly owned subsidiary within the Group.

Business review and key performance indicators (KPI's)

The key performance indicators of the Company are in the table below:

	2021	Change	2020	Change
	£'000		£'000	
Revenue	4,591	(31)%	6,618	(14)%
Operating (loss)/ profit	(456)	(143)%	1,071	(59)%
(Loss)/profit for the year	(838)	(194)%	887	(59)%
Shareholders' equity	2,684		8,522	

There have been no significant events since the balance sheet date which should be considered for a proper understanding of these financial statements. The loss during the year reflects the change in one of the royalty contracts held by the Company.

On 1 June 2021, the wholesale division of Walgreens Boots Alliance ("WBA"), including the Company, was acquired by AmerisourceBergen Corporation, with the aim of creating a global leader in pharmaceutical wholesaling and to provide increased benefits to pharmacists, manufacturers, consumers and patients.

In December 2019, an outbreak of Coronavirus disease (COVID-19) emerged globally and became more widespread in 2020 and 2021. The United Kingdom experienced major outbreaks resulting in Government restrictions and lockdowns. The Company did not experience significant disruptions from COVID-19 and continued to deliver a normal service. Further details regarding COVID-19 risk and mitigation can be found in the Principal risks and uncertainties section on page 2.

Section 172(1) statement

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the long-term success of the company for the benefit of its members as a whole and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long term;*
- the interests of the company's employees;*
- the need to foster the company's business relationships with suppliers, customers and others;*
- the impact of the company's operations on the community and the environment;*
- the desirability of the company maintaining a reputation for high standards of business conduct; and*
- the need to act fairly as between members of the company.*

As a part of their induction, the Directors of the Company are briefed on their duties including those under section 172 (1) and they can access professional advice on these either from the Company Secretary or, if they judge necessary, from independent advisors for effective discharge of their duties.

When making any decisions, during the year ended 31 August 2021, the Directors considered, both individually and together, the matters set out in section 172(1)(a-f) and have acted in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members, as a whole. Below are some of the ways in which the Directors have engaged with various stakeholders and fulfilled their duty under this section.

Customers, Supplier and other stakeholders: The Directors strongly believe in operating in a transparent way, in the marketplace, and treating its customers, suppliers and other stakeholders both equitably and fairly. The Company whether directly or through its affiliate companies, engages with these stakeholders through multiple channels. These would typically include face-to-face interactions, social media interaction, surveys, meeting, and corporate website. These engagements provide the Directors with a broad and diverse understanding of issues most relevant to these stakeholders and allows them to take into account the interest of these stakeholders while performing their duty under section 172(1).

Principal risks and uncertainties

The Company's Directors monitor the overall risk profile of the Company. In addition, the Directors are responsible for determining clear policies as to what the Company considers to be acceptable levels of risk. These policies seek to enable people throughout the Company to use their expertise to identify risks that could undermine performance and to devise ways of bringing them to within acceptable levels. Where the Directors identify risks that are not acceptable, they develop action plans to mitigate them with clear allocation of responsibilities and timescales for completion and ensure that progress towards implementing these plans is monitored and reported upon.

COVID-19

Risk

The COVID-19 pandemic has created significant volatility, uncertainty and economic disruption. These factors may have an adverse impact on the future business operations and financial position of the Company.

Mitigation

The Company is focused on addressing the impact of COVID-19 and has taken significant steps to support its employees and continue to serve its internal customers and maintain its services despite severe operational constraints. The situation surrounding COVID-19 remains fluid and the Company will continue to actively manage its response in collaboration with customers, team members and business partners.

Alliance UniChem IP Limited

Strategic report (continued) for the year ended 31 August 2021

Financial risks

Risk

The Company is exposed to currency, credit and interest rate risk.

Mitigation

The Group's treasury function manages these risks at a Group level in accordance with Group Treasury Policy including the use of financial instruments for the purposes of managing these risks, Group risks are discussed in the Group's annual report, which does not form part of this report.

Approved by the Board and signed on its behalf by:

K. Pirouz

K Pirouz
Company Secretary
26/05/2022

Alliance UniChem IP Limited

Directors' report

for the year ended 31 August 2021

The Directors present their report and the audited financial statements for the year ended 31 August 2021.

Going concern

The Company has net current assets and the Directors have assessed that with access to Group funding, the Company has adequate resources to continue in operational existence until at least twelve months after the approval of these financial statements. Therefore, the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the note 3 in the financial statements.

Dividends

An interim dividend of £5.0 million (2020: £nil) was declared and paid in the year. The directors do not recommend the payment of a final dividend (2020: £nil).

Future developments

The Directors do not foresee a change in the principal activity of the Company and expect the Company to continue to be loss making until 2026. From 2027 onwards the Company is expected to generate profits. The Directors will continue to review ways to bring the Company back to profitability sooner but the possibility to do so remains uncertain.

Post balance sheet events

There are no significant events since the balance sheet date which should be considered for a proper understanding of these financial statements.

Directors

The following served as Directors during the year and to the date of this report.

C Snadden

R Gorsuch

M Kerschen (resigned 1 June 2021)

J Chou (appointed 1 June 2021; resigned 1 May 2022)

A Viaene (appointed 1 May 2022)

The directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Engagement with suppliers, customers and others

The Company aims to operate fairly, transparently and with integrity in the marketplace. The Company along with its associate companies, engages with its customers, suppliers and other key stakeholders through multiple channels. These may include face to face interactions, social media interactions, conferences, corporate / business websites and surveys. This provides a broad and diverse understanding of evolving priorities of various stakeholders and helps the Company and its Directors to consider these views in their decision making.

Auditor

Management are currently considering the appointment of auditor for the forthcoming year, and appropriate arrangements will be put in place for the appointment in due course.

Disclosure of information to auditors

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the Director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act of 2006.

Approved by the Board and signed on its behalf by:

K. Pirouz

K Pirouz

Company Secretary

26/05/2022

Registered office:

2 The Heights

Brooklands

Weybridge

Surrey

KT13 0NY

Registered in England and Wales No. 05654655

Alliance UniChem IP Limited

Director's responsibilities statement for the year ended 31 August 2021

The Directors are responsible for preparing the Strategic report, 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 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 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.

Independent auditor's report

to the members of Alliance UniChem IP Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Alliance UniChem IP Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 August 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

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 Financial Reporting Council's (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.

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.

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.

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 FRC's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report (continued)

to the members of Alliance UniChem IP Limited

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

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 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.

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 any material misstatements in the strategic report or the Directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

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.



W Brooks FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor

26/05/2022

Alliance UniChem IP Limited

Income statement

for the year ended 31 August 2021

		2021	2020
	Notes	£'000	£'000
Revenue	5	4,591	6,618
Cost of sales		(3,000)	(3,000)
Gross profit		1,591	3,618
Other operating income	5	1,729	1,502
Administrative expenses		(3,776)	(4,049)
Operating (loss)/profit		(456)	1,071
Finance income	9	2	20
(Loss)/profit before taxation		(454)	1,091
Tax	10	(384)	(204)
(Loss)/profit for the year	6	(838)	887

Revenue and Operating loss/profit are all derived from continuing operations.

The accompanying notes to the financial statements are an integral part of the Company's financial statements.

The Company has no comprehensive income and has, therefore, not included a separate statement of comprehensive income.

Alliance UniChem IP Limited

Balance sheet

as at 31 August 2021

	Notes	2021 £'000	2020 £'000
Assets			
Non-current assets			
Intangible assets	12	846	1,039
Current assets			
Current tax assets		31	616
Trade and other receivables	13	3,995	9,202
		4,026	9,818
Total assets		4,872	10,857
Liabilities			
Current liabilities			
Trade and other payables	14	(2,188)	(2,335)
Net current assets		1,838	7,483
Net Assets		2,684	8,522
Equity			
Called up share capital	15	-	-
Retained earnings	16	2,684	8,522
Total Equity		2,684	8,522

The accompanying notes to the financial statements are an integral part of the Company's financial statements.

The financial statements of Alliance UniChem IP Limited (registered number: 05654655) were approved by the Board of Directors and authorised for issue on 26/05/2022. They were signed on its behalf by:

Richard Gorsuch

Richard Gorsuch
Director

Alliance UniChem IP Limited

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

	Called up Share capital £'000	Retained Earnings £'000	Total £'000
Balance at 1 September 2019	-	7,635	7,635
Profit for the year	-	887	887
At 31 August 2020	-	8,522	8,522
Loss for the year	-	(838)	(838)
Dividends paid (note 11)	-	(5,000)	(5,000)
At 31 August 2021	-	2,684	2,684

The accompanying notes to the financial statements are an integral part of the Company's financial statements.

Notes to the financial statements

for the year ended 31 August 2021

1. General information

Alliance UniChem IP Limited (the "Company") is a private company limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales.

The address of the registered office is given on page 3.

The nature of the Company's operations and its principal activities are set out in the strategic report on page 1.

2. Adoption of new and revised standards

None of the amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after 1 January 2020, have impacted the financial statements of the Company.

3. Significant accounting policies

Basis of accounting

These financial statements are presented in pounds sterling because that is the Company's functional currency and the currency of the primary economic environment in which the Company operates.

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, these financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The financial statements have been prepared on the historical cost basis, except for the revaluation of certain properties, financial instruments and investment property that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) the requirements of paragraphs 45(b) and 46-52 of IFRS 2 *Share based Payment*, because the share-based payment arrangement concerns the instruments of another group entity;
- (b) the requirements of paragraph 33(c) of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*;
- (c) the requirements of IFRS 7 *Financial Instruments: Disclosures*;
- (d) the requirements of paragraphs 91-99 of IFRS 13 *Fair Value Measurement*;
- (e) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1;
 - (iii) paragraph 118(e) of IAS 38 *Intangible Assets*;
- (f) the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 *Presentation of Financial Statements*;
- (g) the requirements of IAS 7 *Statement of Cash Flows*;
- (h) the requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*;
- (i) the requirements of paragraph 17 of IAS 24 *Related Party Disclosures*; and
- (j) the requirements in IAS 24 *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Where relevant, equivalent disclosures have been given in the group accounts of AmerisourceBergen Corporation.

The principal accounting policies adopted are set out below.

Alliance UniChem IP Limited

Notes to the financial statements (continued)

for the year ended 31 August 2021

3. Significant accounting policies (continued)

Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in its strategic report.

The Company has net current assets and the Directors have assessed that with access to Group funding, the Company has adequate resources to continue in operational existence until at least twelve months after the approval of these financial statements. Therefore, the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The Company is expected to be loss making in until 2026. From 2027 onwards the Company is expected to generate profits from trademark access fees.

The Company's Directors have assessed that there are no material uncertainties surrounding the going concern of the entity, including impact of COVID-19. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Revenue recognition

Revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring goods or services to the customer, net of discounts, VAT and other sales-related taxes. Revenue estimations are reduced for estimated customer returns, rebates and other similar allowances.

Royalties

Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement. Royalties determined on a time basis are recognised on a straight-line basis over the period of the agreement. Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

Foreign currencies

Currency transactions

Transactions denominated in currencies other than an entity's functional currency are translated into an entity's functional currency at the exchange rates prevailing at the date of the transactions. Monetary assets and liabilities denominated in currencies other than an entity's functional currency at the year-end are translated at the exchange rate ruling at that date. Non-monetary assets and liabilities that are measured at historical cost and are denominated in currencies other than an entity's functional currency are translated using the exchange rates at the date of the transaction. Non-monetary items that are measured at fair value and are denominated in currencies other than an entity's functional currency are translated using the exchange rates at the date when the fair value was determined. Exchange gains and losses are recognised in the income statement.

Taxation

The tax expense represents the sum of the current tax 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 income statement 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 balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet 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 based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the period

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Notes to the financial statements (continued)

for the year ended 31 August 2021

3. Significant accounting policies (continued)

Impairment of intangible assets

At each balance sheet date, the Company reviews the carrying amounts of its property, plant and equipment and intangible 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 to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal 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.

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.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: 'Held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Income is recognised on an effective interest basis for debt instruments.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

The Company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI and contract assets (as defined in IFRS 15).

The Company measures loss allowances at an amount equal to lifetime ECL, except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition which are measured as 12-month ECL.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Notes to the financial statements (continued)

for the year ended 31 August 2021

3. Significant accounting policies (continued)

Financial instruments (continued)

For certain categories of financial assets, such as trade receivables, that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the profit or loss. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership or continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest rate is the rate of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Alliance UniChem IP Limited

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

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts 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.

During the year, the Directors have concluded that there were no critical accounting judgements.

5. Revenue

An analysis of the Company's revenue is as follows:

	2021	2020
	£'000	£'000
Continuing operations		
Royalty fee income	4,591	6,618
Total revenue line on income statement	4,591	6,618
Other operating income	1,729	1,502
Total revenue as defined by IFRS 15.	6,320	8,120

Of the royalty fee income, £1,691,000 (2020: £2,484,000) is earned in the United Kingdom with the remainder earned in other European countries.

6. (Loss)/Profit for the year

(Loss)/profit for the year has been arrived at after charging:

	2021	2020
	£'000	£'000
Amortisation of intangibles (see note 12)	331	290

7. Auditor's remuneration

The 2021 fee for the audit of these financial statements was borne by a fellow group undertaking. The amount allocated that would have been incurred for 2021 is £7,500 (2020: £4,000).

No non-audit services were provided to the Company by its auditor. (2020: £nil).

8. Staff numbers and costs

The company has no employees and therefore no direct staff cost.

No emoluments are payable to the Directors for their services to the Company in the current or preceding financial periods.

9. Finance Income

	2021	2020
	£'000	£'000
Interest receivable from Group undertakings	2	20

10. Tax

An analysis of the tax charge for the year is presented as follows:

	2021	2020
	£'000	£'000
Corporation tax:		
UK corporation tax	-	207
Foreign tax	384	-
Adjustments in respect of prior periods		
- UK corporation tax	-	(3)
	384	204

Corporation tax is calculated at 19.0% (2020: 19.0%) of the estimated taxable profit for the year.

Alliance UniChem IP Limited

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

10. Tax (continued)

The tax charge for the year can be reconciled to the (loss)/profit in the income statement as follows:

	2021 £'000	2020 £'000
(Loss)/profit before tax	(454)	1,091
Tax at the UK corporation rate of 19.0% (2020:19.0%)	(86)	207
Effects of:		
Royalty adjustment	241	-
Foreign tax	384	-
Double tax relief	(155)	-
Effect of adjustment in respect of prior year	-	(3)
Tax charge for the year	384	204

Factors that may affect future current and total tax charges

On May 24, 2021, the UK Finance Act 2021 was substantively enacted increasing the UK tax rate from 19% to 25% effective April 1, 2023. The impact of the tax rate, primarily revaluation of deferred tax liabilities, has been reflected in these financial statements.

11. Dividends

The Company's paid and proposed dividends are presented as follows:

	2021 £'000	2020 £'000
Amounts recognised as distributions to equity holders in the year:		
Interim dividend for the year (equivalent to £5 million per share, 2020: £nil per share)	5,000	-
Total	5,000	-

The Directors do not recommend the payment of a final dividend (2020: £nil).

12. Intangible assets

	Brand name £'000	Loyalty program £'000	Consumer App £'000	Data Platform £'000	Total £'000
Cost					
At 1 September 2020	103	80	646	753	1,582
Additions	-	-	-	138	138
At 31 August 2021	103	80	646	891	1,720
Amortisation					
At 1 September 2020	(56)	(64)	(201)	(222)	(543)
Charge for the year	(14)	(16)	(141)	(160)	(331)
At 31 August 2021	(70)	(80)	(342)	(382)	(874)
Carrying amount					
At 31 August 2020	47	16	445	531	1,039
At 31 August 2021	33	-	304	509	846

The assets are related to (i) the registration of the Alvita brand name in Turkey, (ii) the development of the Alphega Loyalty programme which were capitalised in August 2016, (iii) the Alphega Consumer Application was launched during November 2018 and is available for download on the App store, and (iv) the launch of a Data Platform for insight, performance management and improvement of marketing..

Amortisation of intangible assets is provided to write off the cost, less residual value, in equal instalments over their expected useful economic lives which are:

Brand name: 8 years (commencing September 2016)

Loyalty program: 5 years (commencing September 2016)

Consumer app: 5 years (commencing November 2018)

Data platform: 5 years (commencing February 2020)

Alliance UniChem IP Limited

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

Amortisation of intangible assets is charged to administrative expenses in the Income statement.

13. Trade and other receivables

	2021	2020
	£'000	£'000
Amounts falling due within one year:		
Amounts owed by fellow subsidiaries	3,797	9,184
Other receivables	198	18
Included in current assets	3,995	9,202
Total trade and other receivables	3,995	9,202

Amounts owed by Group undertakings are unsecured and repayable on demand, and include £231,000 relating to cash held by a Group Treasury function as part of a cash pooling arrangement, which is subject to interest charged at LIBOR plus margin (2020: £4,103,000 relating to cash held by other Group companies as part of a cash pooling arrangement, which was subject to interest charged at Euro Interbank Offered Rate). Interest is not incurred on other amounts owed by Group undertakings.

14. Trade and other payables

	2021	2020
	£'000	£'000
Amounts falling due within one year:		
Amounts owed to fellow subsidiaries	2,188	2,335
Included in current liabilities	2,188	2,335
Total trade and other payables	2,188	2,335

Amounts owed to fellow subsidiaries are unsecured and repayable on demand. No interest is incurred on these amounts.

15. Share capital

	2021	2020
	£	£
Authorised		
100 ordinary shares of £1 each (2020: 100 shares)	100	100
Issued and fully paid		
1 ordinary shares of £1 each (2020: 1 share)	1	1

The Company has one class of ordinary shares which carry no right to fixed income.

16. Retained earnings

	£'000
At 1 September 2019	7,635
Profit for the year	887
At 31 August 2020	8,522
Dividends paid	(5,000)
Loss for the year	(838)
At 31 August 2021	2,684

Alliance UniChem IP Limited

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

17. Related parties

During the year, the Company entered into transactions, in the ordinary course of business, with other related parties. The Company has taken advantage of the exemption under paragraph 8(k) of FRS101 not to disclose transactions with fellow wholly owned subsidiaries. Transactions entered into, and trading balances outstanding at 31 August 2021 with other related parties, are as follows:

	Revenue	
	2021	2020
	£'000	£'000
Related party		
Alliance Healthcare, S.A.	84	72
Alliance Healthcare Deutschland GmbH	104	-
CPL Pharma Lager und Vertrieb GmbH	16	-
Walgreens Boots Alliance Services Limited	8	-
	Amounts owed by related parties	
	2021	2020
	£'000	£'000
Related party		
Alliance Healthcare, S.A.	21	18
Alliance Healthcare Deutschland GmbH	104	-
CPL Pharma Lager und Vertrieb GmbH	55	-
Walgreens Boots Alliance Services Limited	18	-

Alliance Healthcare, S.A. is a company where AmerisourceBergen Corporation hold a qualifying minority interest.

Alliance Healthcare Deutschland GmbH, CPL Pharma Lager und Vertrieb GmbH and Walgreens Boots Alliance Services Limited are companies in the Walgreen Boots Alliance, Inc. Group ("WBA"), and are disclosed as related parties from 1 June 2021 due to WBA's shareholding in AmerisourceBergen Corporation, the Company's ultimate parent company from 1 June 2021.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

18. Ultimate parent undertaking

On 18 May 2021, the immediate parent company of the Company changed from Alliance Boots Holdings Limited to AmerisourceBergen International BV (formerly Wight Nederland Holdco 2 BV). On 1 June 2021, the ultimate parent company and controlling party of the Company changed from Walgreens Boots Alliance, Inc. to AmerisourceBergen Corporation.

At 31 August 2021, the Company's immediate parent company was AmerisourceBergen International BV and its ultimate parent company and controlling party was AmerisourceBergen Corporation. AmerisourceBergen Corporation is also the parent undertaking of the largest group in which the Company is consolidated. The consolidated financial statements of this group are available from the AmerisourceBergen website at www.amerisourcebergen.com.

AmerisourceBergen Corporation is incorporated in the United States of America, and its principal office address is 1 West First Avenue, Conshohocken, PA 19428.

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