

Registered number: 10119709

Teva Pharma Holdings Limited
Annual report and financial statements
For the year ended 31 December 2021

THURSDAY



ABD2ZKTT

A21

22/09/2022

#183

COMPANIES HOUSE

Teva Pharma Holdings Limited

Contents

Company information	1
Strategic report for the year ended 31 December 2021	2
Directors' report for the year ended 31 December 2021	3
Independent auditors' report to the members of Teva Pharma Holdings Limited	6
Profit and loss account for the year ended 31 December 2021	9
Balance sheet as at 31 December 2021	10
Statement of changes in equity for the year ended 31 December 2021	11
Notes to the financial statements for the year ended 31 December 2021	12

Teva Pharma Holdings Limited

Company information

Directors

S Charlesworth
D Vrhovec
K Innes

Registered office

Ridings Point
Whistler Drive
Castleford
West Yorkshire
England
WF10 5HX

Bankers

Citibank NA Citigroup Centre
Canada Square
Canary Wharf
London
E14 5LB

Registered number

10119709

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Central Square
29 Wellington Street
Leeds
LS1 4DL

Teva Pharma Holdings Limited

Strategic report for the year ended 31 December 2021

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

Business review

Teva Pharma Holdings Limited is an intermediate holding company which owns a 100% share of Teva Laboratories UK Limited and Teva UK Holdings Limited with operating subsidiaries thereof engaged in the manufacturing, packaging and distribution of pharmaceutical products.

The company had net assets of £306,203,000 at 31 December 2021 (2020: £307,112,000). The directors have also 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. Therefore, the directors have concluded that preparing the financial statements on a going concern basis is appropriate. The company's transactions during the year were mainly limited to those with group undertakings.

Principal risks and uncertainties

The principal risk factor for the company is the recoverability of the investment in subsidiary undertakings which is dependent on the financial performance of the subsidiary undertakings. The directors have assessed the recoverability of the net investment at 31 December 2021 and are satisfied with its carrying value.

Financial risk management

Financial risks include the effects of changes in interest rates and liquidity.

Interest rate risk arises as a consequence of borrowings with group undertakings, which are at variable rates of interest. 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.

The company seeks to limit the effects of such risks through the continuing support of its ultimate parent company. Liquidity risk and interest rate risk is managed on a group wide basis. The company does not use derivative financial instruments to manage interest rate costs and as such no hedge accounting is applied.

Financial key performance indicators

Due to the non-complex nature of the company's activities, that of being a holding company, the directors believe that analysis using key performance indicators (KPIs) is not necessary or appropriate for an understanding of the development, performance or position of the company.

Statement by the directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006

The board of directors of the company consider, both individually and together, that they have acted in the 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 (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Act) in the decisions taken during the year ended 31 December 2021. See further details in the Directors report on page 4.

On behalf of the Board:

DocuSigned by:

B34C15B1F487435...

S Charlesworth
Director

Date: 18-Aug-2022 | 13:46 BST

Teva Pharma Holdings Limited

Directors' report for the year ended 31 December 2021

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

Results and dividends

The loss for the financial year was £909,000 (2020: profit £17,620,000).

The company paid a dividend of £nil in the year (2020: £nil). The directors do not recommend the payment of a final dividend (2020: £nil).

In 2020, following completion of their annual impairment review, the directors believed the recoverable amount of the cost of investment in the company's subsidiary Teva Laboratories UK Limited exceeded the carrying amount previously held. Hence during 2020 an impairment loss of £18,735,000 was reversed, such that the carrying amount of the asset increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount did not exceed the carrying amount that would have been determined if no impairment losses had been recognised in prior periods. The reversal of the impairment loss was recognised on the face of the profit and loss account.

Following completion of their latest annual impairment review, the directors believe the recoverable amount of the cost of investment in the company's subsidiaries exceed the carrying amount held. Hence during 2021 no impairment has been recorded.

Principal activities and future developments

The company is an intermediate holding company with operating subsidiaries engaged in the manufacturing, packaging and distribution of pharmaceutical products. The directors expect that this activity will continue for the foreseeable future.

Financial risk management

The company's activities expose it to a number of financial risks including interest rate risk and liquidity risk. The company does not use derivative financial instruments and tries to limit those risks through the support of its parent company.

Liquidity risk

The company controls liquidity risk by monitoring and forecasting cash balances very closely and obtaining parent company support for any shortfalls in cash balances.

Interest risk

The company has both interest-bearing assets and interest-bearing liabilities with intercompany counter parties which exposes the company to changes in interest rates.

Political and charitable contributions

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

Directors

The directors who served during the year and up to the date of signing the financial statements were as follows:

D Vrhovec
K Innes
S Charlesworth

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 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.

Post balance sheet event

During March 2022, the company acquired from Arrow Group ApS, a fellow Teva Group undertaking, the entire allotted and issued share capital of Breath Limited, Bowmed Limited, Arrow No.7 Limited and Arrow Generics

Teva Pharma Holdings Limited

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

Post balance sheet event (continued)

Limited. The purchase price for Breath was £3,588,000, for Arrow Generics £9,000 and 1 penny each for Bowmed Limited and Arrow No.7 Limited.

Directors' duties in accordance with s172

1. COMPLIANCE WITH DIRECTORS' DUTIES

1.1. Directors' duties

The Company is a non-trading company (under CTA/S26).

Each Board Director is given training on their duties as statutory directors. Such training includes information about their responsibilities under the Companies Act 2006 and specifically their duties under section 172 of the Companies Act 2006 ('s172').

The Board Directors are also aware of and understand their duty to act in the 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, and in doing so have regard (amongst other matters) to:

- a. the likely consequences of any decision in the long term,
- b. the interests of the company's employees,
- c. the need to foster the company's business relationships with suppliers, customers and others,
- d. the impact of the company's operations on the community and the environment, and
- e. the desirability of the company maintaining a reputation for high standards of business conduct.

The Board has due regard to such matters in the decisions it makes and the impact such decisions may have in accordance with s172.

1.2. Board meetings

As a non-trading company Board members participate in Board meetings of the Company's trading subsidiary companies.

The Company may also, from time to time, hold Board meetings in respect of non-trading matters such as group re-organisations which may also impact the Company. The Board also considers each decision in accordance with the Directors' Duties requirements under the Companies Act 2006.

1.3. Compliance Committees

As the Company is a non-trading holding company, Board members participate in Compliance Committee meetings of its trading subsidiary companies.

2. RELATIONS WITH STAKEHOLDERS

As the Company is a non-trading holding company, Board members support relations between its trading subsidiary companies and their multiple stakeholders, including the Government, regulators, customers, suppliers, employees and patients.

3. CONSIDERATION OF THE IMPACT OF THE COMPANY ON THE COMMUNITY AND ENVIRONMENT

As the Company is a non-trading holding company, Board members support their trading subsidiary companies, which are included in the Group Environmental Report and the Group Social Impact Report. The Boards of these trading subsidiaries consider these guidelines and ensure these companies operate within global environmental guidelines and have taken steps to actively engage on environmental sustainability matters and initiatives.

A copy of the Environmental, Social and Governance Progress Report can be found at: <https://www.tevapharm.com/globalassets/tevapharm-vision-files/teva-esg-progress-report-2021.pdf>

Teva Pharma Holdings 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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 102 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.

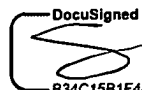
The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

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.

On behalf of the board

DocuSigned by:

B34C15B1F487435...
S Charlesworth
Director

Date: 18-Aug-2022 | 13:46 BST

Teva Pharma Holdings Limited

Independent auditors' report to the members of Teva Pharma Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion, Teva Pharma Holdings 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 loss 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.

Teva Pharma Holdings Limited

Independent auditors' report to the members of Teva Pharma Holdings 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.

Teva Pharma Holdings Limited

Independent auditors' report to the members of Teva Pharma Holdings Limited (continued)

Responsibilities for the financial statements and the audit (continued)

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

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 tax legislation and the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. 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 carrying value of investments. Audit procedures performed by the engagement team included:

- discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- obtaining management's impairment assessment over the company's investments and testing the key assumptions for reasonableness; 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.

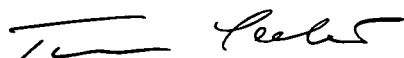
Other required reporting

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

Teva Pharma Holdings Limited**Profit and loss account for the year ended 31 December 2021**

	<i>Note</i>	Year ended 31 December 2021 £000	Year ended 31 December 2020 £000
Operating expenses		(4)	(1)
Other operating income		-	19
Operating (loss)/profit	5	(4)	18
Interest receivable and similar income	6	1,161	1,492
Amounts written back on investments	9	-	18,375
Interest payable and similar expenses	7	(2,066)	(2,434)
(Loss)/profit before taxation		(909)	17,451
Tax on (loss)/profit	8	-	169
(Loss)/profit for the financial year		(909)	17,620

All activities relate to continuing operations.

There were no other items of comprehensive income in the current or previous financial year and hence no separate statement of comprehensive income has been presented.

Teva Pharma Holdings Limited
Balance sheet as at 31 December 2021

	<i>Note</i>	2021 £000	2020 £000
Fixed assets			
Investments	9	366,393	366,393
		<u>366,393</u>	<u>366,393</u>
Current assets			
Debtors	10	107,226	111,504
Cash at bank and in hand		36	36
		<u>107,262</u>	<u>111,540</u>
Creditors: amounts falling due within one year	11	(167,452)	(170,821)
Net current liabilities		<u>(60,190)</u>	<u>(59,281)</u>
Total assets less current liabilities and net assets		<u>306,203</u>	<u>307,112</u>
Capital and reserves			
Called up share capital	12	311,984	311,984
Profit and loss account		(5,781)	(4,872)
Total shareholders' funds		<u>306,203</u>	<u>307,112</u>

The notes on pages 12 to 20 form part of these financial statements.

The financial statements on pages 9 to 20 were approved by the board of directors and were signed on its behalf by:

DocuSigned by:

 B34C15B1F487435...
S Charlesworth
 Director

Date: 18-Aug-2022 | 13:46 BST

Registered number: 10119709

Teva Pharma Holdings Limited**Statement of changes in equity for the year ended 31 December 2021**

	Called up share capital £000	Profit and loss account £000	Total shareholders' funds £000
Balance as at 1 January 2020	311,984	(22,492)	289,492
Profit and total comprehensive income for the year	-	17,620	17,620
Balance as at 31 December 2020	311,984	(4,872)	307,112
Loss and total comprehensive expense for the year	-	(909)	(909)
Balance as at 31 December 2021	311,984	(5,781)	306,203

Teva Pharma Holdings Limited

Notes to the financial statements

1 General Information

Teva Pharma Holdings Limited is an intermediate holding company which owns a 100% share of the Teva UK Holdings Limited and Teva Laboratories UK Limited groups.

The company is a private company, limited by shares, 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.

The functional currency of Teva Pharma Holdings Limited is considered to be the UK pound sterling because that is the currency of the primary economic environment in which the company operates.

2 Statement of Compliance

The financial statements of Teva Pharma Holdings 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 the Companies Act 2006.

3 Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

3.1 Basis of preparation

The financial statements have been prepared on the going concern basis and under the historical cost convention. The preparation in conformity with FRS 102 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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.12.

3.2 Consolidated financial statements

These financial statements contain information about Teva Pharma Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent company, Teva Pharmaceutical Industries Limited, a company incorporated in Israel and whose financial statements are publicly available.

3.3 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.

Teva Pharma Holdings Limited

Notes to the financial statements (continued)

3 Significant accounting policies (continued)

3.4 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 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;
- The financial instruments disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures; and
- The requirements of Section 33 Related Party Disclosures paragraph 33.7.

3.5 Taxation

Taxation expense for the year 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.

3.5.1 Current Tax

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.

3.6 Investments

Investments in subsidiary undertakings are stated at cost less accumulated impairment losses.

Teva Pharma Holdings Limited

Notes to the financial statements (continued)

3 Significant accounting policies (continued)

3.7 Impairment of non-financial assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

3.8 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

3.9 Financial assets and liabilities

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Basic financial assets and liabilities, including trade receivables and payables, cash and bank loans 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.

3.10 Related party transactions

The company discloses transactions with related parties which are not wholly owned within the same group. It does not disclose transactions with members of the same group that are wholly owned.

3.11 Foreign exchange

Transactions denominated in foreign currencies are translated into Sterling at the rates of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated into Sterling at rates of exchange ruling at the balance sheet date. All profits and losses arising on foreign currency translation are included in the profit and loss account within the relevant category.

Teva Pharma Holdings Limited

Notes to the financial statements (continued)

3 Significant accounting policies (continued)

3.12 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

There are no critical judgements that had a significant effect on the amounts recognised in the financial statements.

(b) Critical accounting estimates and assumptions

The following estimates have had the most significant effect on amounts recognised in the financial statements:

(i) Impairment of fixed asset investments

The company makes an estimate of the recoverable value of fixed asset investments. When assessing impairment of fixed asset investments, management considers factors including the net assets of the subsidiary in which the investment is held. Where there is an indication of an impairment a value in use ('VIU') calculation is performed, together with a valuation based on fair value less costs of disposal ('FVLCD'). The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. If the value in use calculation and the fair value less costs of disposal calculation both derive a lower value than the value of the investment held an impairment is recognised down to its recoverable amount, which is the higher of VIU and FVLCD. See note 9 for the net carrying amount and the associated impairment provision that has been recognised.

4 Employees and directors

No directors received remuneration for services from the company in either the current or prior year.

The emoluments of S Charlesworth and K Innes (2020: S Charlesworth, K Innes and D Cooper) were paid by a subsidiary undertaking, Teva UK Limited, which made no recharge (2020: £nil) to the company. The aforementioned directors were directors of a number of group undertakings in the United Kingdom and it is not possible to make an accurate apportionment of their emoluments in respect of each of the companies and their total emoluments are included in the aggregate of directors' emoluments set out below as disclosed in the financial statements of Teva UK Limited:

	2021 £'000	2020 £'000
Aggregate emoluments	747	610
Company pension contributions to money purchase schemes	7	9

The company does not operate any retirement benefit schemes. Retirement benefits are accruing to two directors (2020: two) under defined contribution schemes and one director (2020: one) has benefits accruing under a closed defined benefit pension scheme at the year-end. Both pension schemes are operated by Teva UK Limited.

Three directors exercised share options during the current year (prior year: three).

Teva Pharma Holdings Limited

Notes to the financial statements (continued)

4 Employees and directors (continued)

The above amounts include the following in respect of the highest paid director:

	2021 £'000	2020 £'000
Aggregate emoluments	455	405
Company pension contributions to money purchase schemes	2	3

The highest paid director exercised share options during the year.

The emoluments of D Vrhovec were paid by Teva Pharmaceuticals Europe B.V. The total emoluments of D Vrhovec was included in the aggregate of the directors' emoluments disclosed in the financial statements of Teva Pharmaceuticals Europe B.V. D Vrhovec received no emoluments in the current or prior year in respect of his services as a director of the company.

The company has no employees (2020: none).

5 Operating (loss)/profit

	Year ended 31 December 2021 £000	Year ended 31 December 2020 £000
Operating (loss)/profit is stated after charging / (crediting):		

Foreign exchange losses / (gains)	4	(5)
-----------------------------------	---	-----

Auditors' remuneration for the audit of the company of £9,000 (2020: £9,000) was borne by a fellow group undertaking, Teva UK Limited, as a combined fee for the group. No recharge (2020: £nil) was made to Teva Pharma Holdings Limited for this. Auditors' remuneration for non-audit services during the year was £nil (2020: £nil).

6 Interest receivable and similar income

	Year ended 31 December 2021 £000	Year ended 31 December 2020 £000
Receivable from group undertakings	1,161	1,492

7 Interest payable and similar expenses

	Year ended 31 December 2021 £000	Year ended 31 December 2020 £000
Payable to group undertakings	2,066	2,434

Teva Pharma Holdings Limited

Notes to the financial statements (continued)

8 Tax on (loss)/profit

	Year ended 31 December 2021 £000	Year ended 31 December 2020 £000
Tax charge/(credit) included in profit and loss		
Current tax charge/(credit):		
Current tax on (loss) / profit for the year	-	-
Adjustments in respect of prior years	-	(169)
	<hr/>	<hr/>
Total current tax	-	(169)
	<hr/>	<hr/>
Total deferred tax	-	-
	<hr/>	<hr/>
Tax on (loss)/profit	-	(169)
	<hr/>	<hr/>

The tax assessed for the year is different from (2020: different from) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	Year ended 31 December 2021 £000	Year ended 31 December 2020 £000
(Loss)/profit before taxation	(909)	17,451
	<hr/>	<hr/>
(Loss)/profit multiplied by the rate derived from the standard rate in the UK of 19% (2020: 19%)	(173)	3,316
<i>Effects of:</i>		
Group relief surrendered	173	175
Income not taxable	-	(3,491)
Adjustments in respect of prior years	-	(169)
	<hr/>	<hr/>
Total tax on (loss)/profit before taxation	-	(169)
	<hr/>	<hr/>

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.

Teva Pharma Holdings Limited

Notes to the financial statements (continued)

9 Investments

	Shares in group undertakings £000
<i>Cost</i>	
At 1 January 2021 and 31 December 2021	366,393
<i>Net book value</i>	
At 31 December 2020 and 31 December 2021	366,393

Details of the company's subsidiary undertakings are set out below:

Subsidiary undertaking	Country of incorporation	Description of shares held	Principal activity	Percentage of shares held
Teva UK Holdings Limited	UK	Ordinary shares	Holding company	100%
Teva Laboratories UK Limited	UK	Ordinary shares	License holder company	100%
Teva UK Limited *	UK	Ordinary and deferred shares	Marketing and distribution of pharmaceutical products	100%
Ivax UK Limited *†	UK	Ordinary shares	Non-trading (in liquidation)	100%
Teva Pharmaceuticals Limited *	UK	Ordinary shares	Dormant company	100%
Norton Healthcare Limited *	UK	Ordinary shares	Research, development and manufacture of pharmaceutical products	100%
Pliva Pharma Limited *	UK	Ordinary shares	Dormant company	100%
APS/Berk Limited *†	UK	Ordinary shares	Dormant (in liquidation)	100%
Cephalon (UK) Limited *	UK	Ordinary shares	Dormant company	100%
Ratiopharm (UK) Limited *†	UK	Ordinary shares	Dormant (in liquidation)	100%
Norton Healthcare (1998) Limited *†	UK	Ordinary shares	Non-trading (in liquidation)	100%
Teva Pharmaceutical Finance B.V. *‡	Netherlands Antilles	Type 'A' and type 'B' equity shares	Non-trading	100%
Pharmax Limited *†	UK	Ordinary shares	Dormant (in liquidation)	100%

*held indirectly

† entered into liquidation on 7 September 2021

‡ dissolved on 5 July 2022

Teva Pharma Holdings Limited

Notes to the financial statements (continued)

9 Investments (continued)

The directors believe that the carrying value of the investments is supported by their underlying net assets and future expected profits.

In 2020, following completion of their annual impairment review, the directors believed the recoverable amount of the cost of investment in the company's subsidiary Teva Laboratories UK Limited exceeded the carrying amount previously held. Hence during 2020 an impairment loss of £18,735,000 was reversed, such that the carrying amount of the asset increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount did not exceed the carrying amount that would have been determined if no impairment losses had been recognised in prior periods. The reversal of the impairment loss was recognised on the face of the profit and loss account.

Following completion of their latest annual impairment review, the directors believe the recoverable amount of the cost of investment in the company's subsidiaries exceed the carrying amount held. Hence during 2021 no impairment has been recorded.

The registered address of Teva Pharmaceutical Finance B.V. is Piet Heinkade 107, 1019 GM Amsterdam, The Netherlands.

The registered address of Ivax UK Limited, APS/Berk Limited, Ratiopharm (UK) Limited, Norton Healthcare (1998) Limited and Pharmax Limited is 30 Finsbury Square London EC2A 1AG.

The registered address of all other subsidiary undertakings is Ridings Point, Whistler Drive, Castleford, West Yorkshire, United Kingdom WF10 5HX.

During March 2022, the company acquired from Arrow Group ApS, a fellow Teva Group undertaking, the entire allotted and issued share capital of Breath Limited, Bowmed Limited, Arrow No.7 Limited and Arrow Generics Limited. The purchase price for Breath was £3,588,000, for Arrow Generics £9,000 and 1 penny each for Bowmed Limited and Arrow No.7 Limited.

10 Debtors

	2021	2020
	£000	£000
Amounts owed by group undertakings	107,226	111,504

Amounts owed by group undertakings relates to trading balances, capital and interest receivable on unsecured loans, all of which are repayable on demand. Interest on a loan with Teva Financial Services II B.V. is charged at the one month London Inter-Bank Offered Rate (LIBOR) plus 1.4262% from 1 January 2020 to 30 June 2020, at the one-month LIBOR plus 1.3410% from 1 July 2020 to 30 June 2021, and at the one month LIBOR plus 1.9394% from 1 July 2021. Interest on a loan with Teva Capital Services Switzerland GmbH is charged at the three month LIBOR plus 1%. Other amounts owed by group undertakings are interest free.

Teva Pharma Holdings Limited

Notes to the financial statements (continued)

11 Creditors: amounts falling due within one year

	2021	2020
	£000	£000
Amounts owed to group undertakings	167,452	170,821
	167,452	170,821

Amounts owed to group undertakings included an unsecured loan which was repaid during the year, on which interest was charged at the London Inter-Bank Offered Rate plus 1%. Interest on a new loan with Teva Financial Services II B.V. is charged at the one month London Inter-Bank Offered Rate (LIBOR) plus 2.2762%. Other amounts owed to group undertakings are interest free. All amounts owed to group undertakings are unsecured and repayable on demand.

12 Called up share capital

	2021	2020
	£000	£000
<i>Allotted, called up and fully paid</i>		
311,983,396 (2020: 311,983,396) Ordinary shares of £1 each	311,984	311,984

13 Ultimate parent company

The immediate parent company is Teva Pharmaceuticals Europe B.V., a company incorporated in the Netherlands.

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

The smallest and largest group in 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.

14 Related party transactions

The company is a wholly owned subsidiary of Teva Pharmaceutical Industries Limited, whose consolidated financial statements are publicly available for inspection from the address in note 13. Consequently, the company has taken advantage of the exemption available under the terms of FRS 102 not to disclose related party transactions with group companies.

15 Post balance sheet event

During March 2022, the company acquired from Arrow Group ApS, a fellow Teva Group undertaking, the entire allotted and issued share capital of Breath Limited, Bowmed Limited, Arrow No.7 Limited and Arrow Generics Limited. The purchase price for Breath was £3,588,000, for Arrow Generics £9,000 and 1 penny each for Bowmed Limited and Arrow No.7 Limited.