

Otsuka Medical Devices UK Limited

Annual Report and Financial Statements

For the financial year ended 31 December 2021

Company Number 11670695

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Otsuka Medical Devices UK Limited

Annual Report and financial statements for the financial year ended 31 December 2021

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Otsuka Medical Devices UK Limited

Directors and other information

DIRECTORS

C Bell
N Tojo

SECRETARY

Aldwych Secretaries Limited

COMPANY NUMBER

11670695

REGISTERED OFFICE

C/O Penningtons Manches Cooper LLP
9400 Garsington Road
Oxford Business Park
Oxford
Oxfordshire OX4 2HN
United Kingdom

AUDITOR

KPMG
Dockgate
Dock Road
Galway
H91 V6RR
Republic of Ireland

SOLICITORS

Pennington Manches Cooper LLP
Apex Plaza
Forbury Road
Reading RG1 1AX
United Kingdom

Otsuka Medical Devices UK Limited

Directors' Report for the financial year ended 31 December 2021

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

Results and dividends

The company incurred a loss during the financial year of £7,976 (2020: loss of £8,781). The statement of financial position at the year end date is set out on page 10.

The directors do not propose any dividends to be paid for the year (2020: £Nil).

Principal activities and trading review

The company is an investment holding company. During the year, the company made capital contributions of £16m to Veryan Holdings Limited, a subsidiary company. The company incurred a loss of £7,976 during the financial year (2020: loss of £8,781) The directors consider the results for the year to be satisfactory.

Future developments

There are no material changes anticipated in the operation of the entity.

Post balance sheet events

On 22 March 2022 the company received £7,500,000 from Otsuka Medical Device Co.Ltd in return for one ordinary share issued to Otsuka Medical Device Co., Ltd and on the same date the company made a capital contribution of £7,500,000 to Veryan Holdings Limited.

On 15 August 2022 the company received £5,015,403.29 from Otsuka Medical Device Co.Ltd in return for one ordinary share issued to Otsuka Medical Device Co., Ltd and on the same date the company made a further capital contribution of £5,000,000 to Veryan Holdings Limited.

There have been no other significant events since the end of the financial year.

Directors

The directors of the company during the year and in the subsequent period to date were:

C Bell
N Tojo

Secretary

Aldwych Secretaries Limited

Exemption from Strategic Report

In preparing the directors' report, the directors have availed of the small companies exemption under Section 414B of The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 not to prepare a strategic report for presentation with these financial statements

Otsuka Medical Devices UK Limited

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

Disclosure of information to auditor

The directors at the date of approval of this report confirm that:


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

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.


Auditor

The auditor, KPMG, Chartered Accountants and Statutory Audit Firm, was appointed during the financial year and will continue in office pursuant to Section 487 of the Companies Act 2006.

Approved by the Board and signed on its behalf by:



N Tojo
Director



C Bell
Director

Date: 31 August, 2022

Otsuka Medical Devices UK Limited

Directors' Responsibilities Statement for the financial year ended 31 December 2021

Statement of director's responsibilities in respect of the directors' report and the financial statements

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

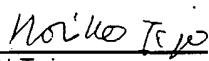
Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with FRS 101 Reduced Disclosure Framework.

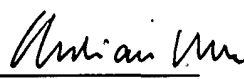
Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

On behalf of the board


N Tojo
Director


C Bell
Director

31 Aug 2022
[Date]



KPMG
Audit
Dockgate
Dock Road
Galway
H91 V6RR
Ireland

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OTSUKA MEDICAL DEVICES UK LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Otsuka Medical Devices UK Limited ('the Company') for the year ended 31 December 2021 set out on pages 10 to 17, which comprise the profit and loss account and other comprehensive income, the statement of financial position, the statement of changes in equity and related notes, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is UK Law and FRS 101 Reduced Disclosure Framework.

In our opinion:

- the 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;
- the financial statements have been properly prepared in accordance with FRS 101 Reduced Disclosure Framework issued by the UK's Financial Reporting Council; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (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

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

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.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OTSUKA MEDICAL DEVICES UK LIMITED *(continued)*

Report on the audit of the financial statements *(continued)*

Conclusions relating to going concern *(continued)*

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 the date 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.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgments that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

Detecting irregularities including fraud

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with the directors. In addition, our risk assessment procedures included: inquiring with the directors as to the Company's policies and procedures regarding compliance with laws and regulations and prevention and detection of fraud; inquiring whether the directors have knowledge of any actual or suspected non-compliance with laws or regulations or alleged fraud; inspecting the Company's regulatory and legal correspondence; and reading Board minutes.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

The Company is subject to laws and regulations that directly affect the financial statements including companies and financial reporting legislation (including related company's legislation), distributable profits legislation and taxation legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

The Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: anti-bribery regulatory capital and liquidity and certain aspects of company legislation recognising the nature of the Company's activities and legal form.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the directors and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls. On this audit we do not believe there is a fraud risk related to revenue recognition. We did not identify any additional fraud risks.

In response to risk of fraud, we also performed procedures including: identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation; evaluating the business purpose of significant unusual transactions; assessing significant accounting estimates for bias; and assessing the disclosures in the financial statements.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OTSUKA MEDICAL DEVICES UK LIMITED *(continued)*

Report on the audit of the financial statements *(continued)*

Detecting irregularities including fraud *(continued)*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' report. The financial statements and our auditor's report thereon do not comprise part of 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 as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Opinions on other matters prescribed by the Companies Act 2006

Based solely on our work on the other information undertaken during the course of the audit:

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements;
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OTSUKA MEDICAL DEVICES UK LIMITED (continued)

Report on the audit of the financial statements (continued)

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; 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; 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 they 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, other irregularities or error, and to issue an opinion in an auditor's report. 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, other irregularities 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 fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities

The purpose of our audit work and to whom we owe our responsibilities

Our 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.

Laurence May
for and on behalf of
KPMG

Chartered Accountants, Statutory Audit Firm
Dockgate, Dock Road, Galway, Ireland

2 September 2022

Otsuka Medical Devices UK Limited

PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 December 2021

	Note	2021 £	2020 £
Administrative expenses		(7,976)	(8,781)
Operating loss	3	(7,976)	(8,781)
Loss before taxation		(7,976)	(8,781)
Tax charge	4	-	-
Loss for the year		(7,976)	(8,781)
Other comprehensive income		-	-
Total comprehensive expense		(7,976)	(8,781)

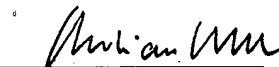
Otsuka Medical Devices UK Limited

Statement of financial position as at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	5	68,860,648	52,860,648
		<u> </u>	<u> </u>
Creditors: amounts falling due within one year			
	6	(39,587)	(31,611)
		<u> </u>	<u> </u>
Net current liabilities		(39,587)	(31,611)
		<u> </u>	<u> </u>
Net assets		68,821,061	52,829,037
		<u> </u>	<u> </u>
Capital and reserves			
Called up share capital presented as equity	7	6	4
Share premium		68,846,331	52,846,333
Retained earnings		(25,276)	(17,300)
		<u> </u>	<u> </u>
Total equity		68,821,061	52,829,037
		<u> </u>	<u> </u>

The financial statements were approved by the Board of Directors and authorised for issue on 31 August 2022.


N Tojo
Director


C Bell
Director

Company register number:
11670695

Otsuka Medical Devices UK Limited
Statement of changes in equity
for the financial year ended 31 December 2021

	Issued capital £	Share premium £	Retained earnings £	Total equity £
At 31 December 2019	2	38,179,999	(8,519)	38,171,482
Total comprehensive expense Loss for the year	-	-	(8,781)	(8,781)
Issue of shares (note 7)	2	14,666,334	-	14,666,336
At 31 December 2020	4	52,846,333	(17,300)	52,829,037
	Issued capital £	Share premium £	Retained Earnings £	Total equity £
At 31 December 2020	4	52,846,333	(17,300)	52,829,037
Total comprehensive expense Loss for the year	-	-	(7,976)	(7,976)
Transactions with owners, recorded directly in equity				
Issue of shares (note 7)	2	15,999,998	-	16,000,000
At 31 December 2021	6	68,846,331	(25,276)	68,821,061

Otsuka Medical Devices UK Limited

Notes forming part of the financial statements for the financial year ended 31 December 2021

1 Accounting policies

Otsuka Medical Devices UK Limited (the 'company') is a company incorporated, domiciled and registered in England and Wales in the UK. The address of the registered office is C/O Penningtons Manches Cooper LLP, 9400 Garsington Road, Oxford Business Park, Oxford, OX4 2HN, United Kingdom and the registered number is 11670695. The nature of the company's operations and its principal activities are set out in the directors' report.

Basis of preparation

These financial statements are separate financial statements. The functional currency of Otsuka Medical Devices UK Limited is GBP because that is the currency of the primary economic environment in which the company operates. The financial statements are presented in GBP.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 ("UK-adopted IFRS") but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the Company.

As the consolidated financial statements of Otsuka Holdings Co. Ltd. include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*

Measurement convention

The financial statements are prepared on the historical cost basis.

Basis of consolidation

The Company is exempt by virtue of S401 of the Companies Act 2006 from the requirement to prepare group financial statements. The Company's ultimate parent undertaking, Otsuka Holdings Co., Ltd., includes the Company in its consolidated financial statements. The consolidated financial statements of Otsuka Holdings Co., Ltd. are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from 2-9 Kanda-Tsukasamachi, Chiyoda-ku, Tokyo 101-0048, Japan.

Investments

Investments in subsidiary undertakings held as non-current assets are stated at cost less any provision for impairment.

Otsuka Medical Devices UK Limited

Notes forming part of the financial statements for the financial year ended 31 December 2021 (continued)

1 Accounting policies (continued)

Foreign currency transactions

Transactions in currencies other than the company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period in which they arise.

2 Critical accounting estimates and judgements

In the application of the Company's accounting policies, which are described in note 1, 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.

Critical judgements in applying the Company's accounting policies

The following are the critical judgements, including those involving estimations, that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Key source of estimation uncertainty – impairment of Investments

Determining whether investments are impaired requires an estimation of their value in use to the Company. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the investment and a suitable discount rate in order to calculate present value.

3 Operating loss	2021 £	2020 £
This is arrived at after charging		
Audit Fees	5,000	5,250

The company had no employees during the current or prior year.

Otsuka Medical Devices UK Limited

Notes forming part of the financial statements
for the financial year ended 31 December 2021 (continued)

4 Taxation on loss on ordinary activities (continued)

	2021 £	2020 £
<i>Analysis of tax charge for the year</i>		
Tax charge	-	-

The tax assessed for the year is different to the standard rate of corporate tax in the UK applied to loss before tax. The differences are explained below:

	2021 £	2020 £
Loss on ordinary activities before taxation	(7,976)	(8,781)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 19%	(1,515)	(1,668)
Effects off:		
Group Relief Surrendered	1,515	1,668
Total tax expenses reported in income statement	-	-

5 Investments

Shares in subsidiary undertakings

	2021 £	2020 £
<i>Cost</i>		
Opening Investment in subsidiary at 1 January	52,860,648	38,194,312
Additions during the year	16,000,000	14,666,336
Investment in subsidiary at 31 December	68,860,648	52,860,648

The additions during the year relate to £16 million capital contribution to the Company's subsidiary.

Otsuka Medical Devices UK Limited

Notes forming part of the financial statements
for the financial year ended 31 December 2021 *(continued)*

5 Investments *(continued)*

The company had the following investments in subsidiary:

Name and registered office	Country of incorporation or registration	Principal Activity	Class of Shares	31 Dec 2021	31 Dec 2020
Veryan Holdings Limited	United Kingdom	Investment holding company	Ordinary	100%	100%

6 Creditors: amounts falling due within one year,	2021 £	2020 £
Amounts due to group undertaking	13,887	14,311
Accruals	25,700	17,300
	<u>39,587</u>	<u>31,611</u>

Amounts due to related party are interest free and repayable on demand.

7 Issued share capital

	2021 £	2021 Number	2020 £	2020 Number
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	6	6	4	4

During the year, the company issued 21 ordinary shares (2020: 2 shares) for a total consideration of £16,000,000.

8 Reserves

The following describes the nature and purpose of each reserve within equity:

Reserves	Description and purpose
Retained earnings	Cumulative net gains and losses recognised in the statement of financial position
Share premium	Amount subscribed for share capital in excess of nominal value
Capital contribution	At the time of the Otsuka acquisition of Veryan Holdings Limited, Otsuka Medical Devices UK Limited, made a cash contribution to the company.

Otsuka Medical Devices UK Limited

**Notes forming part of the financial statements
for the financial year ended 31 December 2021 (*continued*)**

9 Related party transactions

The company has taken advantage of the exemption in FRS 101.8(k) from 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.

10 Controlling party

Otsuka Holdings Co., Ltd (4578: TKO), trading on the Japanese Stock Exchange is the ultimate controlling party of Otsuka Medical Devices UK Limited.