Registered number: NI 041550

Almac Sciences Limited

Annual report and financial statements

for the year ended 30 September 2022

Almac Sciences Limited

Annual report and financial statements for the year ended 30 September 2022

Contents

Directors and advisers

Directors

A D Armstrong
S A Barr
S Campbell
N Harkin
G McBurney

Company secretary

C Diamond

Registered office

Almac House
20 Seagoe Industrial Estate
Craigavon
BT63 5QD

Solicitors

Carson McDowell LLP
Murray House
4 Murray Street
Belfast
BT1 6DN

Bankers

Danske Bank
11 Donegall Square West
Belfast
BT1 6JS

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Merchant Square
20-22 Wellington Place
Belfast
BT1 6GE

Strategic report for the year ended 30 September 2022

The directors present their strategic report on the company for the year ended 30 September 2022.

Principal activities

Almac Sciences Limited is a private company limited by shares, incorporated and domiciled the United Kingdom and registered in Northern Ireland. The registered address is detailed on page 1. The company's immediate parent company is Almac Group (UK) Limited and ultimate parent company is Almac Group Limited.

The company continued to be engaged in the provision of custom chemical synthesis services.

Review of business and future developments

The results for the year are as set out on page 12. The business has progressed satisfactorily during the year and the directors are continually evaluating investment opportunities to deliver growth and profit development.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks including the competitive market conditions. Further discussion of these risks and uncertainties, in the context of the group as a whole, is provided in the annual report of the ultimate parent undertaking, Almac Group Limited.

Key performance indicators

The directors manage the company's operations on a divisional basis. For this reason, the company's directors believe that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business of the company. Commentary on the group's performance is provided on page 2 in the annual report of the ultimate parent undertaking, Almac Group Limited.

Environment

The company recognises its corporate responsibility to carry out its operations whilst minimising environmental impacts. The directors' continued aim is to comply with all applicable environmental legislation, prevent pollution and reduce waste wherever possible.

Health and safety

The company is committed to achieving the highest practicable standards in health and safety management and strives to make all sites and offices safe environments for employees and customers alike.

Human resources

People are the company's most important resource. Retention of key staff is critical, and the company has invested in employment training and development.

Performance and position

The loss after income tax for the financial year is £313,282 (2021: £78,614 profit), net cash outflows from operating activities is £1,777,104 (2021:£3,419,291 inflows) and its net assets are £22,570,015 (2021: £22,883,297). The main activity that the company is engaged in is the manufacture of active pharmaceutical ingredients. It also undertakes research and development, both on its own account, and on behalf of other companies. The directors are satisfied with the overall development and performance of the company during the most recent financial year.

Strategic report for the year ended 30 September 2022 (continued)

S172

In accordance with section 172 (1) of the Companies Act 2006 (the Act), each of the company's directors (both individually and collectively) act in a way in which they actively promote the success of the company for the benefit of its members as a whole and the company's wider role in the community. The company's directors take account of, among other matters, the requirements set out in section 172(1) (a) – (f) of the Companies Act 2006 including:

- 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 between members of the company.

The directors of the company acknowledge that the long-term and short-term success of the company is dependent upon their engagement with all of its stakeholders including the company's employees, customers, suppliers, regulators, and the wider community. The directors are mindful that this engagement is required to make informed decisions at board level. As part of the Almac Group , the directors of the company promote and observe their duty under Section 172 (1) of the Act, in part through engagement with and use the wider governance structure provided by its parent company, Almac Group Limited.

The below table sets out the steps taken by the directors of the company to engage with each of the aforementioned groups, the *purpose /aim of that engagement, and the results and benefits of the engagements.*

Engagement with Stakeholders

The below table sets out the steps taken by the directors of the company to engage with each of the aforementioned groups, the purpose / aim of that engagement, and the results and benefits of the engagements.

Stakeholder Group	Engagement
Employees Almac Group currently employs approximately 6,600 people globally. The directors recognise that people are our core asset and that to provide continued long-term success for the company and its stakeholders, the company must provide a happy, balanced and safe work environment. We are therefore committed to supporting, developing, and rewarding our people at every step of their journey with Almac. Together, we strive to foster a working environment and culture that is safe, inspiring and inclusive.	Each business unit within the Group hosts monthly Employee Forums whereby employees can directly raise any concerns or issues through nominated representatives with senior management and the directors. Meeting minutes are shared Group-wide and follow up actions are allocated to the relevant Departments in the company. Almac grants a range of special recognition awards to employees who demonstrate a commitment to the goals and vision of Almac. These awards include ACE Awards ("Almac Celebrates Excellence") and Long Service Awards. Almac operates a group-wide bonus scheme thereby ensuring that all Almac employees can share in the performance of the group and/or their operating division. In 2022 Almac issued a discretionary cost of living payment to offset rising household costs due to the global rise in inflation. Almac operates a policy on hybrid working across the group providing many employees with the opportunity to adopt a blended approach of working from home and coming to work on site. In 2022 we reduced working hours from 40 to 37.5 at our UK and Ireland sites with no loss in pay. We also introduced a holiday buy-back scheme so that our people can purchase or sell holidays. The directors are committed to the health and well-being of all our employees. #All4Health is Almac's comprehensive programme for employee health and well-being, designed to support the mental, physical, and financial health of all our employees. This programme is supported by Almac's #All4Health WellHub platform which provides access to a wide range of supporting tools and materials. There has been an 83% engagement rate with our colleagues since the platform launched in 2019.

Strategic report for the year ended 30 September 2022 (continued)

Engagement with Stakeholders (continued)

Stakeholder Group	Engagement
Employees (continued)	The group employs a dedicated Pastoral Care Manager to maintain a Pastoral Care Service for employee personal wellbeing. Employees can reach out 24/7 on a confidential basis to discuss any wellbeing issues. Our pastoral care manager has held over 1,500 sessions with our people over the last two years. The directors arrange annual "fun days" across all Almac sites in recognition of our employee's contribution and in acknowledgement of the importance of positive employee relationships. Unfortunately, these were suspended due to the Covid-19 pandemic but will commence again in 2023. Almac operates a Performance Management Programme (PMP) which facilitates direct and meaningful engagement between employees and line managers. Yearly training goals are set and analysed annually to ensure continued employee progression and one-to-one communication on development. Almac recognises the importance of effective learning and development, both in terms of how it benefits and motivates our employees but also ensures the success of the company as a whole. Our Global Training department partners with the business to drive learning that is strategic, measurable, and effective. Training is delivered in various forms, including via our internal e-learning platform. Training is delivered to all employees and at all levels, including a range of bespoke leadership certification programmes for emerging leaders, new leaders, and senior leaders. The directors acknowledge that our ability to achieve our mission as a company is directly attributable to our ability to attract, retain and motivate the best and most diverse talent. During 2022, we developed our DEI advisor policy in the US. We are currently running a 12-month pilot scheme at one of our US sites where we have trained DE&I advisors in place providing advice and support and a means for open communication.
Customers Almac Group provides services to over 600 companies in the pharmaceutical industry. The directors are mindful of the need to actively deliver the company's unique culture of delivering exceptional service solutions for its customers in a manner which is mutually beneficial whilst maintaining a reputation for high standards of business conduct. We are committed to understanding and exceeding our customers' needs and expectations. We build relationships based on integrity, responsiveness, and excellent communication.	Customer surveys are performed by the Almac Market Insights team to ensure that Almac's service offering is constantly evolving and stays consistent with our customers' long-term requirements and expectations. Almac, through dedicated Quality Assurance Departments across its divisions, facilitates on-site client audits of its global facilities to ensure that customers are confident that Almac performs its services in accordance with all laws and regulatory requirements. Almac's Corporate and Legal Affairs Department works very closely with all customers to ensure that the key corporate policies of Almac and its customers (such as anti-bribery, modern slavery, sustainability, and environmental policies) are aligned. Almac engages with its customers' Legal Teams on its customers' own policies and, where appropriate, these policies are included in underlying legal agreements with Customers. The directors, through engagement with Almac's Business Development and Project Teams have established a detailed Project Governance Structure which ensures frequent and meaningful engagement with customers on a more operational / project management level in respect of specific work packages and projects. The individual project governance structure can vary from Customer to Customer however at a high level this includes regular project meetings and KPI reporting.

Strategic report for the year ended 30 September 2022 (continued)

Engagement with Stakeholders (continued)

Stakeholder Group	Engagement
Suppliers The directors of the company recognise that the company's supply chain is an extension of the company's own business. The company aims to work with suppliers that share our values and our commitment to conducting business honestly and in accordance with the highest ethical and quality standards. By fostering positive and strong relationships with our suppliers, we ensure that the company continues to provide an exemplary level of service to our customers.	The directors recognise that Almac's suppliers are an extension of Almac's service offering to its customers. Almac has a culture of fostering long term, quality-focussed and cost-effective relationships with its suppliers. Suppliers are managed by large Procurement Departments within each business unit, each with its own detailed Standard Operating Procedures relevant to its service offering and each of which reports into a Central Procurement Department. Almac carries out regular and appropriately detailed audits and inspections of its broad range of suppliers. Where necessary, Almac works closely with suppliers to ensure all remedial actions are implemented quickly. Almac's Corporate and Legal Affairs and Quality Assurance Departments work closely with suppliers to ensure that appropriate legal and quality agreements are in place with each supplier to clearly document the parties' respective rights and obligations, including with respect to compliance with applicable laws, quality standards and ethical business conduct.
Community Almac is part of the wider community, and the directors are conscious that the actions of Almac have a bearing on the community and environment. We are very aware that in striving to achieve our mission to advance human health we must also consider the overall health of our planet and take action to improve environmental performance. As part of our environmental strategy, Almac is committed to the responsible management of energy, water and waste and continually strives towards improvements aligned with committed targets. We are proud to work with our people to make a positive and lasting contribution to our communities through the philanthropy of our shareholder, The McClay Foundation, and our Science, Technology, Engineering and Maths (STEM) outreach programmes.	The directors established the Almac Charity Committee which implements the charitable goals of Almac each year. In addition to discretionary donations to charities chosen by employees and directors, the Charity Committee also supports applications for funding from employees undertaking individual fundraising activities. In 2022, Almac donated funds to local and international charities in line with our charity and community policies. Almac maintains and continually reviews environmental and sustainability policies. Almac has undertaken to meet significant environmental goals including a commitment to monitor and minimise single-use plastics both within its supply chain and for internal use as far as is practicably possible. In 2022 we also committed to be net zero by 2045 and to reduce our scope 1 and 2 emissions by 50% by 2030 (with a base year of 2020). In November 2022 Almac Group published its second Corporate Social Responsibility Report. The report is publicly available to all stakeholders on the Almac website and is published annually. Our report covers our activities under the headings of People, Planet, Place and Ethics.

Strategic report for the year ended 30 September 2022 (continued)

Engagement with Stakeholders (continued)

Stakeholder Group	Engagement
Regulators The company operates in a highly regulated industry and the directors are mindful of the strict legal and regulatory requirements in relation to which the company must comply.	Each business unit within Almac engages in an open and cooperative way with all regulatory bodies, statutory authorities and all other local and international government agencies governing its respective area of business. Almac is audited and certified as required by law with the Medicines and Healthcare products Regulatory Agency (MHRA), the U.S. Food & Drug Administration (FDA), the Health Products Regulatory Authority (HPRA) and other agencies. Almac has dedicated Quality Assurance Departments to ensure compliance, and such compliance is reported directly to the Board.
Parent Company – Almac Group The company is a subsidiary of Almac Group Limited and is integrated within the overall governance structure of the Almac Group.	The directors ensure constant engagement between the company and Almac Group Limited on the basis that many of the stakeholder considerations are captured at a Group level. The Almac Group has a robust Group-wide governance framework which includes quarterly board meetings with the directors of Almac Group Limited to report on the performance and goals of the company and to ensure that the company remains fully integrated and committed to the underlying values and policies of the Almac Group.

This report was approved by the board and signed on its behalf.

A D Armstrong
Director
13 March 2023

Directors' report for the year ended 30 September 2022

The directors present their annual report and the audited financial statements of the company for the year ended 30 September 2022. Information on the company's principal activities and future developments are included in the Strategic report and is included in this report by cross reference.

Future developments

The section on future developments, which is detailed in the strategic report, is included in this report by cross reference.

Financial risk management

The company operates within the competitive conditions of its market place. Regarding credit risk, it is standard company policy to perform appropriate credit checks on all potential customers before contracts are entered into. Further commentary is provided in note 2.

Dividends

The directors do not recommend payment of a dividend (2021:£nil).

Research and development activities

The company is committed to research and development in the area of drug discovery. Research carried out in the year was expensed as incurred. No development expenditure was incurred in the year (2021:£nil).

Directors

The directors who served during the year and up to the date of approval of the financial statements are listed below:

A D Armstrong
S A Barr
C Hayburn (resigned 1 January 2023)
S Campbell
N Harkin
G McBurney (appointed 1 October 2022)

Directors' indemnities

The Directors have the benefit of an indemnity, which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force.

Employees

The company systematically provides employees with all information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. Employee involvement in the company is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the company plays a major role in objectives. The company is committed to employment policies, which follow best practice based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status. The company gives full and fair considerations to applications for employment from disabled persons, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the company. If members of staff become disabled the company continues employment, either in the same or an alternative position with appropriate retraining being given if necessary.

Stakeholder engagement

The section on stakeholder engagement, which is detailed in the strategic report, is included in this report by cross reference.

Directors' report for the year ended 30 September 2022 (continued)

Going concern

The directors of Almac Group Limited have prepared cash flow forecasts for a period of at least twelve months from the date of signing of this report and confirm that adequate funding has been committed by Almac Group Limited, the company's ultimate parent, to support the company's operations and planned growth over this period. The directors have received confirmation that Almac Group Limited intends to support the company for at least one year after these financial statements are signed. Consequently, the directors have prepared these financial statements on a going concern basis.

The Company participates in group cash pooling arrangements providing access to cash necessary for the day-to-day running of the company and to support the going concern assertion. The company has received confirmation that the Group will not withdraw the facility in the foreseeable future.

After making enquiries, the directors have a reasonable expectation that the company has access to adequate financial and other resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Statement of disclosure of information to auditors

So far as each of the directors in office at the date of approval of these financial statements 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 directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

The independent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

This report was approved by the board and signed on its behalf.

N Harkin
Director
13 March 2023

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 UK-adopted international accounting standards.

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 UK-adopted international accounting standards 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.

N Harkin
Director
13 March 2023

Independent auditors' report to the members of Almac Sciences Limited

Report on the audit of the financial statements

Opinion

In our opinion, Almac Sciences Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2022 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; 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 30 September 2022; the Income statement, the Statement of changes in equity and the Cash flow statement 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.

Independent auditors' report to the members of Almac Sciences Limited

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 30 September 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to product safety (including but not limited to Medicines and Healthcare products Regulatory Agency regulations) and tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006.

Independent auditors' report to the members of Almac Sciences Limited

Responsibilities for the financial statements and the audit (continued)

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

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 posting inappropriate journal entries to manipulate financial results, including revenue recognition and manipulation of earnings before interest, tax, depreciation and amortisation and management bias in accounting estimates or significant judgements. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Identifying and testing unusual journal entries, in particular those journal entries posted with an unusual account combination; and
- Evaluating and, where appropriate, challenging assumptions and judgements made by management in determining significant accounting estimates.

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.

Brenda Heenan

Brenda Heenan (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Belfast

16 March 2023

Income statement for the year ended 30 September 2022

	Note	2022 £	2021 £
Continuing operations			
Revenue	4	62,897,574	55,859,741
Cost of sales	6	(50,322,346)	(41,196,249)
Gross profit		12,575,228	14,663,492
Distribution costs	6	(1,889,361)	(1,785,571)
Administrative expenses	6	(9,436,325)	(10,380,426)
Operating profit		1,249,542	2,497,495
Operating profit is analysed as:			
Operating profit before depreciation and amortisation ("EBITDA")		5,230,638	6,076,068
Depreciation of property, plant, and equipment		(3,568,115)	(3,166,631)
Depreciation of right of use assets		(185,870)	(192,564)
Amortisation of intangible assets		(227,111)	(219,378)
Finance costs	5	(1,472,999)	(867,636)
Finance income	5	45,336	47,192
Finance costs – net	5	(1,427,663)	(820,444)
(Loss)/ profit before income tax		(178,121)	1,677,051
Income tax charge	8	(135,161)	(1,598,437)
(Loss)/ profit for the financial year		(313,282)	78,614

The notes on pages 17 to 42 are an integral part of these financial statements.

There is no other comprehensive income for the year (2021:£nil).

Statement of changes in equity for the year ended 30 September 2022

	Share capital £	Accumulated Losses £	Total equity £
At 1 October 2020	50,956,065	(28,151,382)	22,804,683
Profit for the financial year	-	78,614	78,614
At 30 September 2021	50,956,065	(28,072,768)	22,883,297
Loss for the financial year	-	(313,282)	(313,282)
At 30 September 2022	**50,956,065**	**(28,386,050)**	**22,570,015**

The notes on pages 17 to 42 are an integral part of these financial statements.

Balance sheet as at 30 September 2022

	Note	2022 £	2021 £
Assets			
Non-current assets			
Intangible assets	9	475,133	639,022
Property, plant and equipment	10	78,090,880	61,872,198
Right of use assets	11	1,164,629	1,350,499
Investments in subsidiaries	12	4,428,992	4,428,992
Total non-current assets		84,159,634	68,290,711
Current assets			
Trade and other receivables	13	25,729,282	19,280,957
Current tax receivable		2,256,038	1,535,478
Cash and cash equivalents	14	1,654	939
Total current assets		27,986,974	20,817,374
Total assets		112,146,608	89,108,085
Liabilities			
Current liabilities			
Borrowings	15	58,101,233	40,344,009
Trade and other payables	16	21,449,159	16,899,078
Total current liabilities		79,550,392	57,243,087
Non-current liabilities			
Borrowings	15	1,172,178	1,310,307
Other non-current liabilities	17	1,665,850	1,658,062
Deferred income tax liabilities	18	5,922,450	5,610,602
Deferred income	19	1,265,723	402,730
Total non-current liabilities		10,026,201	8,981,701
Total liabilities		89,576,593	66,224,788
Equity attributable to owners of the company			
Share capital	20	50,956,065	50,956,065
Accumulated losses		(28,386,050)	(28,072,768)
Total equity		22,570,015	22,883,297
Total equity and liabilities		112,146,608	89,108,085

The notes on pages 17 to 42 are an integral part of these financial statements.

The financial statements on pages 13 to 42 were authorised for issue by the board of directors on 13 March 2023 and were signed on their behalf by:

A D Armstrong
Director

N Harkin
Director

Cash flow statement for the year ended 30 September 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Cash (used in)/ generated from operations	21	(751,149)	2,072,281
Interest paid		(1,427,292)	(816,853)
Taxation recovered		401,337	2,163,863
Net cash (used in)/ generated from operating activities		(1,777,104)	3,419,291
Cash flows from investing activities			
Purchase of property, plant, and equipment		(19,786,797)	(15,166,376)
Purchase of intangible assets		(63,222)	(238,921)
Repayments from group undertakings		3,046,273	224,876
Capital grants received		962,841	-
Interest received		45,336	47,192
Net cash used in investing activities		(15,795,569)	(15,133,229)
Cash flows from financing activities			
Advances from group undertakings		17,801,719	12,007,736
Principal elements of lease payments		(228,331)	(243,355)
Net cash generated from financing activities		17,573,388	11,764,381
Net increase in cash and cash equivalents		715	50,443
Cash and cash equivalents and bank overdrafts at beginning of the year		939	(49,504)
Cash and cash equivalents and bank overdrafts at end of the year	14	1,654	939

The notes on pages 17 to 42 are an integral part of these financial statements.

Notes to the financial statements for the year ended 30 September 2022

1 Accounting policies

General information

The company's principal activity during the year was as described in the Strategic report. The financial statements are presented in UK pound sterling. Almac Sciences Limited is a private limited company incorporated by shares and domiciled in the United Kingdom and registered in Northern Ireland. The company's registered address is detailed on page 1.

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

Basis of preparation

On 31 December 2020, IFRS as adopted by the European Union at that date was brought into UK law and became UK-adopted International Accounting Standards, with future changes being subject to endorsement by the UK Endorsement Board. Almac Group (UK) Limited transitioned to UK-adopted International Accounting Standards in its company financial statements on 1 October 2021. This change constitutes a change in accounting framework. However, there is no impact on recognition, measurement or disclosure in the period reported as a result of the change in framework.

The financial statements have been prepared on a going concern basis and in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. The financial statements have been prepared under the historical cost convention.

New and amended standards adopted by the company

The following standards and amendments are applicable for accounting periods beginning on or after 1 January 2021 and are therefore effective for this year end. These amendments have had no impact on the company's financial position or performance in the current or prior years.

- COVID-19-Related Rent Concessions – amendments to IFRS 16, and
- Amendments to IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmark Reform Phase 2

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 September 2022 reporting periods and have not been early adopted by the company. None of these are expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions.

Basis of consolidation

The company has taken advantage of the exemption conferred under Companies Act 2006 Section 400 from preparing group financial statements. The financial statements therefore present information about the company as an individual undertaking and not about its group.

Going concern

The directors of Almac Group Limited have prepared cash flow forecasts for a period of at least twelve months from the date of signing of this report and confirm that adequate funding has been committed by Almac Group Limited, the company's ultimate parent, to support the company's operations and planned growth over this period. The directors have received confirmation that Almac Group Limited intends to support the company for at least one year after these financial statements are signed. Consequently, the directors have prepared these financial statements on a going concern basis.

The Company participates in group cash pooling arrangements providing access to cash necessary for the day-to-day running of the company and to support the going concern assertion. The company has received confirmation that the Group will not withdraw the facility in the foreseeable future.

After making enquiries, the directors have a reasonable expectation that the company has access to adequate financial and other resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Notes to the financial statements for the year ended 30 September 2022 (continued)

1 Accounting policies (continued)

Intangible assets

Product Licenses

Product licences acquired are capitalised and amortised on a straight-line basis, over their useful economic life which is between one to fifteen years. Product licences are tested annually for impairment and are carried at cost less accumulated amortisation and impairment losses.

Computer software

The costs of acquiring and bringing computer software in to use are capitalised and amortised on a straight-line basis over the estimated useful economic life of the software which is between three to five years.

Capitalised software development costs include external direct costs of material and services together with direct labour costs relating to software development. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the company's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purposes of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance expenses are charged to the income statement during the financial year in which they are incurred.

For all assets depreciation is calculated so as to write off the cost less their estimated residual values, on a straight-line basis over the expected useful economic lives of the assets concerned, or over the life of project, whichever is earlier. The principal annual rates used are as follows:

		%
Freehold buildings	-	2
Plant and machinery	-	10
Fixtures and fittings	-	10
Computer equipment	-	20

Notes to the financial statements for the year ended 30 September 2022 (continued)

1 Accounting policies (continued)

Property, plant and equipment (continued)

No depreciation is charged on freehold land or assets in the course of construction. The assets' residual values and useful economic lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are included within administrative expenses in the income statement.

Investment in subsidiaries

Investments in subsidiaries are held as non-current assets and are recorded at cost, which is the fair value of the consideration paid, less any provision for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

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 and loss account.

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 (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

Notes to the financial statements for the year ended 30 September 2022 (continued)

1 Accounting policies (continued)

Financial Instruments

Classification

The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI) or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. The company reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition
Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership.

Measurement
At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. The company only has debt instruments which are held for collection of cash flows where those cash flow represent solely payments of principal and interest. These are subsequently measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses). Impairment losses are presented as separate line item in the statement of profit or loss.

Impairment

The company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Cash and cash equivalents

In the cash flow statement cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

Notes to the financial statements for the year ended 30 September 2022 (continued)

1 Accounting policies (continued)

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are recognised initially at fair value, net of direct issue costs and subsequently measured at amortised cost. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis to the income statement using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

Research and development tax credits

Under UK tax legislation introduced in the 2013 Finance Bill research and development credits can be claimed against qualifying research and development expenditure. Where these credits are not expected to be restricted by the PAYE/NI cap included within the legislation then the credit is, in substance, a government grant. The company has elected to treat such credits as a government grant and recognise the credits in the same period as the research and development expenditure arises.

Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the country where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Amounts paid by, or amounts received by, the company in respect of group relief that represent the tax benefit surrendered/received are recorded as an income tax expense/credit in the statement of comprehensive income. Where the amounts paid by, or amounts received by, the company exceed the tax benefit surrendered/received, the excess is recorded directly in equity as a movement in other comprehensive income.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising, except where the timing of the reversal of the temporary difference is controlled by the company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Notes to the financial statements for the year ended 30 September 2022 (continued)

1 Accounting policies (continued)

Grants

Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions. Grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate. Grants relating to property, plant and equipment are included in non-current liabilities as deferred income and are credited to the income statement on a straight-line basis over the expected useful economic lives of the related assets.

Research and development

Expenditure on research is written off in the year in which it is incurred. Development expenditure is capitalised when the criteria for recognising an asset, as described above, are met.

Share capital

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

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the company's activities. Revenue is shown net of value-added tax.

Almac Sciences Limited is engaged in the provision of custom synthesis services on a range of chemicals for customers. The revenue for these services is recognised over time as the company has the right to receive payment as the services are provided.

The company is also involved in the supply of manufactured goods and the revenue within this stream is recognised at a point in time; being on delivery of the goods to the customer.

The company also provides full time equivalent staff to customer specified projects. These services meet the criteria to be recognised over time as the customer simultaneously receives and consumes the benefits as performance progresses.

Foreign currency translation

Items included in the financial statements of each of the company's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in UK pound sterling, which is the company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or cost'. All other foreign exchange gains and losses are presented in the income statement within administrative expenses.

Pension obligations

The company operates a defined contribution plan for employees whereby the company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

1 Accounting policies (continued)

Leases

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the company under residual value guarantees;
- the exercise price of a purchase option if the company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the company, which does not have recent third-party financing.
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the group entities use that rate as a starting point to determine the incremental borrowing rate
The company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs;
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the company revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the group.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise IT equipment and small items of office furniture.

Share-based payments

The company issues cash-settled phantom share-based payments to certain employees of the company for their services to the company. The company accounts for these phantom share based payments as cash-settled phantom share-based payments which are measured at fair value and recognised as an expense in the income statement with a corresponding increase in liabilities. The fair value is recognised over the period during which employees become unconditionally entitled to the awards, subject to the company's estimate of the number of awards which will lapse due to employees leaving the company prior to vesting.

Notes to the financial statements for the year ended 30 September 2022 (continued)

1 Accounting policies (continued)

The total amount recognised in the income statement as an expense is adjusted to reflect the actual amount of awards that are expected to vest, except where forfeiture is due to employee's termination of contract.

Critical estimates/judgements

Revenue recognition

In the application of IFRS 15 "Revenue from Contracts with Customers" and as set out in the accounting policy in Note 1 to these accounts, across a number of revenue streams the company recognises revenue over time as the business has the right to either receive payment for work done as the performance of the contract progresses or the customer simultaneously receives and consumes economic benefit as the services are provided.

A number of key estimations are made within the accounting for revenue recognition; however, these do not carry a significant risk of resulting in a material adjustment within the next financial year. An estimate is made of progress towards complete satisfaction of each performance obligation for which revenue is recognised over time. Where delivery is part way through a performance obligation at the reporting date, an estimate is made of the amount of revenue to recognise to reflect the work performed up to that date. This amount is estimated on a percentage completion basis.

2 Financial risk management

Financial risk factors

The company's operations expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring the foregoing risks.

(a) Market risk

(i) Foreign exchange risk

While the greater part of the company's revenues and expenses are denominated in UK pound sterling, the company is exposed to foreign exchange risk in the normal course of business. While the company has not used financial instruments to date to hedge foreign exchange exposure, this position is kept constantly under review. If the US dollar had weakened/strengthened by 10% against the UK pound sterling spot rate on 30 September with all other variables held constant, the financial statements would have been impacted as follows:

	2022		2021	
	Impact on post-tax profits £	**Impact on equity £**	Impact on post-tax profits £	Impact on equity £
US dollar weakens by 10% against UK pound	**(333,490)**	**(333,490)**	(828,193)	(828,193)
US dollar strengthens by 10% against UK pound	**272,855**	**272,855**	1,012,236	1,012,236

(ii) Interest rate risk

The company's interest rate risk arises from amounts owed from and to group undertakings. If average interest rates over the year had increased/decreased by 1% with all other variables held constant, the financial statements would have been impacted as follows:

	2022		2021	
	Impact on post-tax profits £	**Impact on equity £**	Impact on post-tax profits £	Impact on equity £
Interest rates increase by 1%	**(460,196)**	**(460,196)**	(343,686)	(343,686)
Interest rates decrease by 1%	**460,196**	**460,196**	343,686	343,686

Notes to the financial statements for the year ended 30 September 2022 (continued)

2 Financial risk management (continued)

Financial risk factors (continued)

(b) Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. Credit control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The amount of exposure to individual customers is subject to limits, which are reassessed regularly. Credit risk also arises from cash and cash equivalents with banks and financial institutions. Banking arrangements are reviewed and regularly reassessed by the board.

c) Liquidity risk

The company projects cash flow requirements as part of its annual budget setting process. Cash requirements are monitored dynamically by the company's ultimate parent undertaking, with resources deployed to the company as required. As a result of its activities, the company is a net consumer of cash and combines intergroup funding with external sources to ensure that sufficient liquidity is maintained to allow continued operation.

3 Capital risk management

The company is a subsidiary of Almac Group Limited, whose objectives when managing capital are to safeguard the group and company's ability to continue as a going concern in order to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. For further details, refer to the report and financial statements for Almac Group Limited.

4 Revenue

Revenue is attributable to the company's principal activities carried out in the United Kingdom.

Timing of revenue is as follows:

	2022 £	2021 £
Point in Time	4,718,879	472,231
Over Time	58,178,695	55,387,510
Total	62,897,574	55,859,741

5 Finance costs - net

	2022 £	2021 £
Interest expense:		
Interest payable to group undertakings	(1,427,292)	(816,855)
Interest payable on IFRS 16 Leases	(45,707)	(50,781)
Finance costs	(1,472,999)	(867,636)
Interest income:		
Interest receivable from group undertakings	45,336	47,192
Finance income	45,336	47,192
Finance costs - net	(1,427,663)	(820,444)

Notes to the financial statements for the year ended 30 September 2022 (continued)

6 Expenses by nature

	2022	2021
	£	£
Raw materials and consumables used	**12,364,332**	8,300,436
Employee benefit expense (note 7)	**29,478,387**	26,564,333
Depreciation and amortisation (notes 9 & 10)	**3,795,226**	3,386,009
Depreciation on Right of Use Assets (note 11)	**185,870**	192,564
Transfer from capital grant reserve (note 19)	**(99,848)**	(106,488)
Revenue grants	**(150,574)**	(20,000)
Loss on disposal of property, plant and equipment	**-**	59,213
Other expenses*	**16,074,639**	14,986,179
Total cost of sales, distribution costs and administrative expenses	**61,648,032**	53,362,246

**Other expenses of £16,074,639 (2021:£14,986,179) are stated after the deduction of £3,716,054 (2021:£1,895,652) of* research and development tax credits.

Services provided by the auditors and network firms

During the year the company obtained the following services from the auditors at costs as detailed below:

	2022	2021
	£	£
Fees payable to the company's auditors for the audit of the financial statements	**20,048**	13,905
Fees payable to company's auditors for other services:		
- Taxation compliance services	**3,809**	3,560
	23,857	17,465

Notes to the financial statements for the year ended 30 September 2022 (continued)

7 Employees and directors

	2022	2021
	£	£
Staff costs during the year:		
Wages and salaries	26,101,795	22,939,879
Social security costs	2,301,017	2,024,699
Other pension costs (note 22)	1,077,659	967,107
Shared based payment costs (note 25)	484,406	632,648
	29,964,877	26,564,333

Staff costs in the year include capitalised labour of £486,490 (2021: None).

	2022	2021
	Number	Number
Average monthly number of persons employed (including directors) during the year by activity:		
Production	570	523
Sales and marketing	16	17
Administration	19	17
	605	557

	2022	2021
Key management compensation	£	£
Salaries and other short term employee benefits	456,012	402,748
Pension costs – defined contribution plans	4,000	5,000
	460,012	407,748

The key management compensation given above includes directors.

	2022	2021
Directors	£	£
Aggregated emoluments	328,536	356,468
Pension costs – defined contribution plans	4,000	5,000
Amounts received in respect of share based payments	73,627	41,583
	406,163	361,468

One director (2021:one) has retirement benefits accruing under a money purchase scheme. One director (2021:one) has exercised phantom share options in the year.	2022	2021
Highest paid director	£	£
Aggregated emoluments	328,536	356,468
Pension costs – defined contribution plans	4,000	5,000
Amounts received in respect of share based payments	73,627	41,583
	406,163	361,468

The highest paid director has exercised phantom share options in 2022 and 2021.In addition to the above, certain directors' remuneration is borne by other group undertakings. The directors do not believe it is practicable to apportion this amount between their services as directors of the company and their services as directors of fellow group undertakings. Directors' remuneration is disclosed in the financial statements of the ultimate parent undertaking.

Notes to the financial statements for the year ended 30 September 2022 (continued)

8 Income tax charge

	2022 £	2021 £
Current tax		
Current tax on profits for the year	(1,110,608)	(639,534)
Adjustment in respect of prior years	933,921	(598,293)
Total current tax	(176,687)	(1,237,827)
Deferred tax		
Origination and reversal of temporary differences	1,055,229	958,044
Changes in tax laws and rates	224,942	1,350,327
Adjustments in respect of previous periods	(968,323)	527,893
Total deferred tax charge	311,848	2,836,264
Income tax charge	135,161	1,598,437

The tax on the company's profit before tax differs from (2021:differs from) the theoretical amount that would arise using the weighted average tax rate applicable to the profit of the company as follows:

	2022 £	2021 £
Profit before income tax	(178,121)	1,677,051
Profit before income tax at the UK standard rate of 19% (2021:19%)	(33,843)	318,640
Effects of:		
Amounts not recognised	(13,661)	-
Expenses not deductible for tax purposes	164,793	829
Exempt amounts	-	193,996
Super deduction	(155,451)	(188,499)
Income not subject to tax	(22,854)	(20,233)
Adjustments in respect of previous periods	(34,402)	(70,400)
Changes in tax laws and rates	224,942	1,350,327
Transfer pricing adjustment	5,637	13,777
Income tax charge	135,161	1,598,437

Factors affecting tax rate

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

Notes to the financial statements for the year ended 30 September 2022 (continued)

9 Intangible assets

	Computer software £	Product licences £	Total £
Cost			
At 1 October 2020	2,436,009	450,000	2,886,009
Additions	238,921	-	238,921
At 30 September 2021	2,674,930	450,000	3,124,930
Additions	63,222	-	63,222
At 30 September 2022	**2,738,152**	**450,000**	**3,188,152**
Accumulated amortisation			
At 1 October 2020	1,816,530	450,000	2,266,530
Charge for the year	219,378	-	219,378
At 30 September 2021	2,035,908	450,000	2,485,908
Charge for the year	227,111	-	227,111
At 30 September 2022	**2,263,019**	**450,000**	**2,713,019**
Net book amount			
At 30 September 2022	**475,133**	-	**475,133**
At 30 September 2021	639,022	-	639,022
At 30 September 2020	619,479	-	619,479

Amortisation is included within administrative expenses in the income statement.

Notes to the financial statements for the year ended 30 September 2022 (continued)

10 Property, plant and equipment

	Freehold land and buildings £	Assets in course of construction £	Plant and machinery £	Fixtures, fittings and computer equipment £	Total £
Cost					
At 1 October 2020	49,911,249	3,327,752	31,294,891	6,089,511	90,623,403
Transfers	-	(713,393)	665,343	48,050	-
Additions	43,366	8,508,995	5,243,683	1,370,332	15,166,376
Disposals	-	-	(152,139)	(4,958)	(157,097)
At 30 September 2021	**49,954,615**	**11,123,354**	**37,051,778**	**7,502,935**	**105,632,682**
Transfers	-	(40,346)	10,483	29,863	-
Additions	64,858	15,804,586	3,391,752	525,601	19,786,797
At 30 September 2022	**50,019,473**	**26,887,594**	**40,454,013**	**8,058,399**	**125,419,479**
Accumulated depreciation					
At 1 October 2020	14,770,053	-	20,726,518	5,195,166	40,691,737
Charge for the year	926,960	-	1,921,657	318,014	3,166,631
Disposals	-	-	(93,228)	(4,656)	(97,884)
At 30 September 2021	15,697,013	-	22,554,947	5,508,524	43,760,484
Charge for the year	927,259	-	2,221,283	419,573	3,568,115
At 30 September 2022	**16,624,272**	**-**	**24,776,230**	**5,928,097**	**47,328,599**
Net book amount					
At 30 September 2022	**33,395,201**	**26,887,594**	**15,677,783**	**2,130,302**	**78,090,880**
At 30 September 2021	34,257,602	11,123,354	14,496,831	1,994,411	61,872,198
At 30 September 2020	35,141,196	3,327,752	10,568,373	894,345	49,931,666

Depreciation is included within administrative expenses in the income statement.

Borrowings are secured against land and buildings above (note 15).

Notes to the financial statements for the year ended 30 September 2022 (continued)

11 Rights of use assets

	Buildings £	Plant and machinery £	Fixtures, fittings and computer equipment £	Motor vehicles £	Total £
Cost					
At 1 October 2020	1,523,182	58,165	37,379	67,616	1,686,342
Additions	-	-	19,811	31,870	51,681
Disposal	-	(3,584)	(1,734)	(14,298)	(19,616)
At 30 September 2021	**1,523,182**	**54,581**	**55,456**	**85,188**	**1,718,407**
Disposal	-	(54,581)	-	-	/(54,581)
At 30 September 2022	**1,523,182**	-	**55,456**	**85,188**	**1,663,826**
Accumulated depreciation					
At 1 October 2020	136,740	22,298	9,826	26,096	194,960
Charge for year	135,044	18,715	13,490	25,315	192,564
Disposals	-	(3,584)	(1,734)	(14,298)	(19,616)
At 30 September 2021	**271,784**	**37,429**	**21,582**	**37,113**	**367,908**
Charge for year	135,045	17,152	12,530	21,143	185,870
Disposals	-	(54,581)	-	-	(54,581)
At 30 September 2022	**406,829**	-	**34,112**	**58,256**	**499,197**
Net book value					
At 30 September 2022	**1,116,353**	-	**21,344**	**26,932**	**1,164,629**
At 30 September 2021	1,251,398	17,152	33,874	48,075	1,350,499
At 30 September 2020	1,386,442	35,867	27,553	41,520	1,491,382

The total cash outflow for leases in 2022 was £228,331 (2021:£243,355).

The right-of-use assets consist of:

- buildings for warehouse space, offices and manufacturing facilities. Lease terms are a range between 10 - 20 years.
- fixtures, fittings and computer equipment are insignificant to the total leased assets portfolio.
- motor vehicles are insignificant to the total leased assets portfolio.

Please see note 15 for details of corresponding lease liabilities.

12 Investments in subsidiaries

	Total
	£
Cost	
At 1 October 2020, 30 September 2021 and 30 September 2022	**4,428,992**
Net book amount	
At 30 September 2022	**4,428,992**
At 30 September 2021	4,428,992
At 30 September 2020	4,428,992

Investments in group undertakings are recorded at cost, which is the fair value of the consideration paid. The company's principal subsidiaries are:

Name	Country of incorporation	Nature of business	Share ownership %	Class
Syngal Limited	Northern Ireland	Dormant	100	Ordinary
Arran Chemical Company Limited	Ireland	Provision of chemical manufacturing	100	Ordinary
Almac Sciences Scotland Limited	Scotland	Provision of custom chemical synthesis services	100	Ordinary

The company has one dormant subsidiary, Syngal Limited, which is incorporated in Northern Ireland and in which the company holds 100% of the ordinary share capital. At 30 September 2022 the aggregate capital and reserves of Syngal Limited were £2 (2021:£2). The registered office address for Syngal Limited is: Almac House, 20 Seagoe Industrial Estate, Portadown, Craigavon, BT63 5QD. The registered office address of Almac Sciences Scotland Limited is: 4th Floor, Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EN. The registered office address for Arran Chemical Company Limited is: Unit 1-3, Monksland Industrial Estate, Athlone, Co Roscommon.

13 Trade and other receivables

	2022	2021
	£	£
Trade receivables	**10,601,933**	6,485,500
Less: provision for impairment of trade receivables	**(205,411)**	(22,519)
Trade receivables (net)	**10,396,522**	6,462,981
Amounts owed by group undertakings (note 26)	**702,804**	3,749,077
Group relief receivable (note 26)	**3,770,552**	999,708
Other receivables	**613,955**	300,317
Prepayments and accrued income	**10,245,449**	7,768,174
	25,729,282	19,280,257

The fair values of trade and other receivables are not materially different from the carrying values. For the purposes of IFRS 9 "Financial instruments" all of the company's trade and other receivables are classified measured at amortised cost.

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

Notes to the financial statements for the year ended 30 September 2022 (continued)

13 Trade and other receivables (continued)

The carrying amount of the company's trade and other receivables are denominated in the following currencies:

	2022	2021
	£	£
Currency		
UK pound	19,482,106	12,553,327
US dollar	5,476,536	5,544,816
Euro	770,640	1,182,114
	25,729,282	19,280,257

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable above.

Trade receivables impaired and the amount of the impairment provision at 30 September 2022 was £205,411 (2021:£22,519).

Movements on the provision for impairment of trade receivables are as follows:

	2022	2021
	£	£
At 1 October	22,519	84,576
Exchange Adjustment	25,271	(834)
Provision for receivables impairment	180,140	22,032
Receivables written off during the year as uncollectable	-	(49,929)
Unused amounts reversed	(22,519)	(33,326)
At 30 September	205,411	22,519

The creation and release of provision for impaired receivables have been included in administration expenses in the income statement.

The company has recognised the following assets relating to contracts with customers (these are all included with accrued income):

	2022	2021
	£	£
Contract assets recognised at start of the period	3,601,802	4,797,541
Revenue recognised in prior periods that was invoiced in the current period	(3,232,322)	(4,625,981)
Amounts recognised in revenue in the current period that will be invoiced in future periods	3,686,824	3,430,242
Balance at the end of the period	4,056,304	3,601,802

Contract assets are expected to be invoiced in the year to 30 September 2022.

The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

Notes to the financial statements for the year ended 30 September 2022 (continued)

13 Trade and other receivables (continued)

The expected loss rates are based on the payment profiles of sales over a period of 12 months before 30 September and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. On that basis, the loss allowance as at 30 September 2022 was deemed to be not materially different to that provision carried under IAS 39. The default rate on receivables is less than 1%. Receivables are generally due for settlement within 30 days and are therefore all classified as current and are within credit terms.

To measure the expected credit loss, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The company has concluded that the expected credit loss results in a provision being recognised of £205,411 (2021: £22,519).

The company applies the practical expedient in IFRS 9 (which allows the company to measure impairment using the 12 month Expected Credit Loss model) in respect of amounts owed by group undertakings, for those balances that meet the following requirements:

- it has a low risk of default;
- the counterparty is considered, in the short term, to have a strong capacity to meet its obligations in the near term; and
- the company expects, in the longer term, that adverse changes in economic and business conditions might, but will not necessarily, reduce the ability of the counterparty to fulfil its obligations.

For those balances where there is a higher risk of default the company follows the 3-stage approach within IFRS 9 to determine lifetime expected credit losses.

14 Cash and cash equivalents

	2022	2021
	£	£
Cash at bank and in hand	1,654	939

Cash, cash equivalents and bank overdrafts include the following for the purposes of the cash flow statement:

	2022	2021
	£	£
Cash and cash equivalents	1,654	939
	1,654	939

15 Borrowings

	2022	2021
Current	£	£
Amounts owed to group undertakings (note 26)	57,964,794	40,163,075
Lease liabilities arising from IFRS 16	136,439	180,934
Total current borrowings	58,101,233	40,344,009
Non-current		
Lease liabilities arising from IFRS 16	1,172,178	1,310,307
Total non-current borrowings	1,172,178	1,310,307
Total borrowings	59,273,411	41,654,316

The fair value of both current and non-current borrowings equates to their carrying amount as the impact of discounting is not significant. For the purposes of IFRS 9 "Financial instruments" the financial liabilities noted above are classified measured at amortised cost.

Notes to the financial statements for the year ended 30 September 2022 (continued)

15 Borrowings (continued)

The carrying amounts of the company's borrowings are denominated in the following currencies

	2022 £	2021 £
UK pound	**59,273,411**	41,654,316

The effective interest rates at the balance sheet date were as follows:

	2022 %	2021 %
Amounts owed to group undertakings	**2.20**	2.20
Bank overdrafts	**2.98**	2.12
Lease liabilities arising from IFRS 16	**1.07**	1.07

The maturity profile of the carrying amount of non-current borrowings at 30 September was as follows:

	Lease liabilities arising from IFRS 16 £	Total 2022 £
In more than 1 year but not more than 2 years	131,763	**131,763**
In more than 2 years but not more than 5 years	324,218	**324,218**
In more than 5 years	716,197	**716,197**
	1,172,178	**1,172,178**

	Lease liabilities arising from IFRS 16 £	Total 2021 £
In more than 1 year but not more than 2 years	136,439	136,439
In more than 2 years but not more than 5 years	368,807	368,807
In more than 5 years	805,061	805,061
	1,310,307	1,310,307

Notes to the financial statements for the year ended 30 September 2022 (continued)

15 Borrowings (continued)

The amounts included in the tables below are the contractual undiscounted cash flows of current and non-current borrowings.

	Amounts owed to group undertakings £	Lease liabilities arising from IFRS 16 £	2022 Total £
Less than 1 year	60,447,510	140,796	**60,588,306**
In more than 1 year but not more than 2 years	-	136,002	**136,002**
In more than 2 years but not more than 5 years	-	365,154	**365,154**
In more than 5 years	-	740,900	**740,900**
	60,447,510	**1,382,852**	**61,830,362**

	Amounts owed to group undertakings £	Lease liabilities arising from IFRS 16 £	2021 Total £
Less than 1 year	41,039,385	228,441	41,267,826
In more than 1 year but not more than 2 years	-	177,252	177,252
In more than 2 years but not more than 5 years	-	464,706	464,706
In more than 5 years	-	940,193	940,193
	41,039,385	1,810,592	42,849,977

16 Trade and other payables

	2022 £	2021 £
Trade payables	**898,739**	1,009,370
Amounts owed to group undertakings (note 26)	**1,103,916**	725,347
Other tax and social security	**623,759**	536,804
Other creditors	**768,441**	310,552
Accruals	**18,054,304**	14,317,005
	21,449,159	16,899,078

The fair value of trade and other payables are not materially different from their carrying value as the impact of discounting is not significant. There is no difference between the amounts shown above and the total contractual undiscounted cash flows of trade and other payables.

For the purposes of IFRS 9 "Financial instruments" the financial liabilities noted above are classified measured at amortised cost.

There is no material difference between the amounts shown above and the total contractual undiscounted cash flows of trade and other payables.

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

Notes to the financial statements for the year ended 30 September 2022 (continued)

16 Trade and other payables (continued)

The Company has recognised the following liabilities relating to contracts with customers (these are all included with deferred income):

	2022	2021
	£	£
Contract liabilities recognised at start of the period	8,728,738	9,259,782
Amounts invoiced in prior periods recognised as revenue in the current period	(6,352,224)	(8,212,600)
Amounts invoiced in the current period which will be recognised as revenue in later periods	6,742,172	7,681,556
Balance at the end of the period	9,118,686	8,728,738

17 Other non-current liabilities

	2022	2021
	£	£
Accruals	1,665,850	1,658,062

Maturity of other non-current liabilities

The maturity profile of the carrying amount of other non-current liabilities at 30 September was as follows:

	2022	2021
	£	£
In more than one year but not more than two years	625,434	671,948
In more than two years but not more than five years	1,040,416	986,114
	1,665,850	1,658,062

There is no difference between the amounts shown above and the total contractual undiscounted cash flows of other non-current liabilities.

18 Deferred income tax liabilities

The gross movement on the deferred income tax account is as follows:

	2022	2021
	£	£
At 1 October	5,610,602	2,774,338
Charged to the income statement	311,848	2,836,264
At 30 September	5,922,450	5,610,602

Notes to the financial statements for the year ended 30 September 2022 (continued)

18 Deferred income tax liabilities (continued)

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction is as follows:

Deferred tax assets/(liabilities)	Tax losses £	Temporary differences £	Total £
At 1 October 2020	447,199	(3,221,537)	(2,774,338)
Credited/(charged) to the income statement	57,193	(2,893,457)	(2,836,264)
At 30 September 2021	504,392	(6,114,994)	(5,610,602)
Credited/(charged) to the income statement	(8,681)	(303,167)	(311,848)
At 30 September 2022	**495,711**	**(6,418,161)**	**(5,922,450)**

The analysis of deferred income tax is as follows:

	2022 £	2021 £
Deferred tax assets:		
- to be recovered after more than 12 months	**495,711**	504,392
Deferred tax liabilities:		
- to be recovered after more than 12 months	**(6,418,161)**	(6,114,994)
Deferred tax liabilities – net	**(5,922,450)**	(5,610,602)

Deferred tax assets are recognised for the tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profit is probable.

19 Deferred income

Government grants	£
At 1 October 2020	509,218
Released to the income statement (note 6)	(106,488)
At 30 September 2021	402,730
Capital grants received during the year	962,841
Released to the income statement (note 6)	(99,848)
At 30 September 2022	**1,265,723**

20 Share capital

	2022 £	2021 £
Allotted and fully paid		
50,956,065 (2021:50,956,065) ordinary shares of £1 each	**50,956,065**	50,956,065

Notes to the financial statements for the year ended 30 September 2022 (continued)

21 Cash generated from operations

Cash generated from operations

	2022 £	2021 £
(Loss)/ profit before income tax	(178,121)	1,677,051
Adjustments for:		
Depreciation of property, plant and equipment	3,568,115	3,166,631
Depreciation of right of use asset	185,870	192,564
Amortisation of intangible assets	227,111	219,378
Loss on disposal of property, plant and equipment	-	59,213
Movement in grants	(99,848)	(106,488)
Finance income	(45,336)	(47,192)
Finance costs	1,472,999	867,636
Research and development tax credits	(3,716,054)	(1,895,652)
Movement in trade and other receivables	(6,723,754)	444,994
Movement in trade and other payables	4,557,869	(2,505,854)
Net cash generated from operations	(751,149)	2,072,281

Analysis of net (debt)/cash as at 30 September 2022

	Related parties £	Leases £	Subtotal £	Cash £	Total £
Net debt as at 30 September 2020	(28,155,339)	(1,632,132)	(29,787,471)	(49,504)	(29,836,975)
Cash flows	(12,007,736)	243,355	(11,764,381)	50,443	(11,713,938)
Acquisition – leases	-	(51,683)	(51,683)	-	(51,683)
Other changes	-	(50,781)	(50,781)	-	(50,781)
Net debt as at 30 September 2021	**(40,163,075)**	**(1,491,241)**	**(41,654,316)**	**939**	**(41,653,377)**
Cash flows	(17,801,719)	228,331	(17,573,388)	715	(17,572,673)
Other changes	-	(45,707)	(45,707)	-	(45,707)
Net debt as at 30 September 2022	**(57,964,794)**	**(1,308,617)**	**(59,273,411)**	**1,654**	**(59,271,757)**

Notes to the financial statements for the year ended 30 September 2022 (continued)

22 Pension commitments

The company participates in a group defined contribution scheme for employees whereby the assets of the scheme are held separately from those of the group in an independently administered scheme. Contributions are charged to the income statement in the year to which they relate.

Pension costs for the defined contribution scheme are as follows:

	2022	2021
	£	£
Defined contribution scheme	1,077,659	967,107

Amounts owed to the pension scheme as at 30 September 2022 totalled £193,363 (2021:£175,145).

23 Capital and other financial commitments

	2022	2021
	£	£
Contracts placed for future property, plant and equipment and intangibles expenditure not provided in the financial statements	4,881,344	7,512,596
Contracts placed for future intangible assets not provided in the financial statements	75,914	218,061

24 Contingent liabilities

There exists a contingent liability to repay certain capital and revenue grants received from Invest Northern Ireland if future employment levels fall below specified levels. The directors do not anticipate any repayment falling due under the terms on which the grants were received.

The company is party to an unlimited intercompany cross guarantee in relation to group banking facilities in the United Kingdom.

Notes to the financial statements for the year ended 30 September 2022 (continued)

25 Share based payments

The company operates a phantom share scheme whereby share awards are granted to directors and senior management employees. The share award is granted for £nil consideration, and is conditional on the director or employee continuing in employment for a period of three years from the date the share award is made, which is the first of January following the financial year end. The company accounts for these share awards as cash-settled share-based payments which are measured at fair value and recognised as an expense in the income statement with a corresponding increase in liabilities. The fair values of these payments are measured at each reporting date, in line with the terms and conditions upon which the awards are granted. The fair value is recognised over the period during which employees become unconditionally entitled to the awards, subject to the company's estimate of the number of awards which will lapse due to employees leaving the company prior to vesting. The total amount recognised in the income statement as an expense is adjusted to reflect the actual amount of awards that are expected to vest, except where forfeiture is due to employee's termination of contract.

Share awards are exercisable from first January, three years following the award date. The share award is exercisable at the share price at the end of financial year when the share is exercisable, and all share awards are cash settled.

The fair value of each share award granted and the assumptions used in the calculation are as follows:

Grant date	2022	2021
Share price at grant date	**£2.050**	£1.300
Number of employees	**11**	11
Share awards	**116,604**	173,181
Vesting period (years)	**4**	4*
Option life (years)	**4**	4
Fair value	**£2.050**	£1.300

*The vesting period is four years which is made up of the three years from the date of issue plus the year of service incurred in order to be eligible for the award.

The weighted average fair value of share awards granted during the year was £2.050 (2021:£1.300). The significant inputs into the model were the share price at grant date, exercise price, dividend yield, risk free interest rate and expected option life as shown above.

Movements in the number of share awards outstanding are as follows:

	2022 Number	2021 Number
Outstanding at 1 October	**559,057**	552,565
Granted	**116,604**	173,181
Exercised	**(244,244)**	(166,689)
Outstanding at 30 September	**431,417**	559,057
Exercisable on 1 January 2022/2021	**177,864**	180,081

Notes to the financial statements for the year ended 30 September 2022 (continued)

25 Share based payments (continued)

The weighted average share price of share awards exercised in the year was £2.050 (2021:£1.300).

Share awards outstanding at the end of the year have the following expiry dates:

	2022 Number	2021 Number
2022	-	180,081
2023	177,864	205,795
2024	150,376	173,181
2025	103,177	-
	431,417	559,057

The total expense recognised in the income statement was £484,406 (2021:£632,648). The year-end liability is £1,102,164 (2021:£1,126,997).

26 Ultimate controlling party and related party transactions

The immediate parent undertaking of the company is Almac Group (UK) Limited.

The ultimate parent undertaking and the largest and smallest group of undertakings of which the company is a member and for which group financial statements are prepared is Almac Group Limited, a company incorporated in Northern Ireland. The registered office of Almac Group Limited is Almac House, 20 Seagoe Industrial Estate, Craigavon, BT63 5QD. Copies of the group financial statements are available from Companies Registry.

During the period the ultimate controlling parties were A D Armstrong, S Campbell, C Hayburn, and J W Irvine. From 1 January 2023, the ultimate controlling parties are A D Armstrong, S Campbell and J W Irvine.

Transactions entered during the year and year end balances with companies within Almac Group Limited were as follows:

Transactions	2022 £	2021 £
Transactions with the parent undertaking		
Interest received from group undertakings	45,336	47,192
Interest paid to group undertakings	1,427,292	816,855
Management charge	(6,676,124)	(4,310,666)
Transactions with other group undertakings		
Sales to group undertakings	2,533,664	2,704,383
Purchases from group undertakings	(2,382,861)	(5,923,757)

Balances	2022 £	2021 £
Amounts owed by parent undertaking	9,581	-
Amounts owed by fellow group undertakings	693,223	3,749,077
Amounts owed to parent undertaking (Notes 15 & 16)	58,751,377	40,817,398
Amounts owed to fellow group undertakings (Notes 15 & 16)	317,333	70,609
Group relief receivable	3,770,552	999,708

Details of balances owed by and to group undertakings are disclosed in notes 13, 15 and 16.

Details of interest payable and receivable on balances held within group undertakings are disclosed in note 5.