

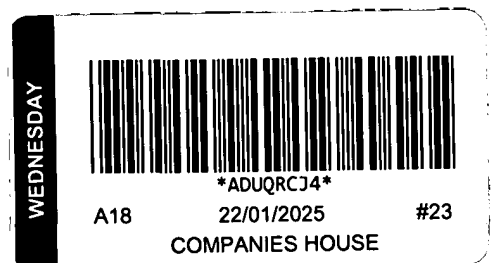
Phlexglobal Limited

Annual Report and Financial Statements

For the year ended

30 September 2024

Company Number 03544670



Phlexglobal Limited

Annual Report and financial statements for the year ended 30 September 2024

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Company Information

Directors

D Jethwa
C Gauglitz
H S Samra

Registered office

St Peters House, Church Yard, Tring, England, HP23 5AE

Company number

03544670

Auditors

Rödl & Partner Limited, 170 Edmund Street, Birmingham, B3 2HB

Phlexglobal Limited

Strategic report for the year ended 30 September 2024

The directors present their strategic report together with the audited financial statements for the year ended 30 September 2024.

Principal activities

The principal activity of the company in the year under review was the provision of support services to the clinical research industry.

Review of the business and future developments

On 30 September 2023 the company was part of the group of companies within the Cencora group, which was composed of Pharmalex UK Bidco Limited and its subsidiaries (the Group). In October 2023 an entity rationalisation project started whereby, on 31 October 2023, the company's immediate parent within the Pharmalex UK Bidco group, Emerald Bidco Limited, sold its investment in the company to an affiliate in the Cencora group, Pharmalex UK Holding Limited. This transaction was a transfer of the trading entities in the group to a new parent, but it had no impact on the continuing operations of the company.

In August 2024, another entity rationalisation project started whereby:

- On 31 August 2024, an affiliate, Net Solutions Europe Ltd, entered into an agreement to transfer its trade and net assets to the company, excluding the intercompany trading balance (NSE Loan Note) owed by the company to Net Solutions Europe Ltd.
- An affiliate in the Cencora group, Pharmalex UK Holding Limited, contributed to the settlement of the NSE Loan Note, in return for the company issuing equity.

The year was successful for the company with some pressure on results from competition in the market and integration efforts with Cencora PharmaLex. Revenue has remained strong, with many clients beginning to commit to longer term contracts beyond 1 year. The business continued to increase investment in the PhlexTMF offering with a long term view and commitment from the Board. This investment is expected to provide an expanding customer base and service offerings for future growth.

Phlexglobal Limited works well with its US and Poland offices to provide seamless, high quality services to its global clients. The company operates within the life sciences sector and there has been an increase in demand since the prior year. The company has experienced further growth in overseas markets, such as the USA. The company expects further cross group synergies to provide more opportunities in the medium term from a revenue and cost perspective.

Phlexglobal Limited

Strategic report for the year ended 30 September 2024 (continued)

Financial and other key performance indicators

The company uses a range of performance measures to monitor and manage its business effectively. These are both financial and non-financial, and the most significant of these are the key performance indicators (KPIs).

The key financial indicators are turnover, gross profit, operating profit and cash. These KPIs indicate the volume of business the company has undertaken as well as the efficiency and profitability of this business. The key non-financial performance indicator is the number of employees.

KPIs for the year ended 30 September 2024 are set out below:

	12 months to 30 September 2024	9 months to 30 September 2023 Re-stated
	£'000	£'000
Turnover	7,670	5,217
Gross profit	1,135	1,114
Operating loss*	(29,514)	(1,172)
Cash	2,139	1,874
	2024	2023
Number of employees	146	127
Gross profit (%)	14.8	21.4
Operating profit (%)	(384.7)	(22.5)

* Excludes losses or gains on foreign exchange movements

Principal risks and uncertainties

The principal risks and uncertainties that the Company encounter include risks from: the war in Ukraine, recent inflationary pressures, liquidity risk and foreign exchange exposures.

One of the Company's subsidiaries is located in Poland close to the border with Ukraine. The war in Ukraine has not had a direct impact on revenue or safety of employees. Nevertheless the company and the Group continues to actively monitor the situation with local management, and support any refugees at the border.

Our employees have all been working from home since Covid-19 in the countries we operate. We have seen no loss in productivity and have increased pro-active employee engagement over this time. This has also allowed the Group to review its office locations and make strategic cost savings. Most of our employees are telling us they prefer a more flexible working pattern which we believe will result in continued increased working from home and therefore we expect productivity to remain at or near current levels as we review longer term working arrangements.

The main financial risks arising from the Group's activities are liquidity risk and foreign exchange risk. These are monitored by the board of directors and the finance team.

The company's policy in respect of liquidity risk is to maintain readily accessible bank deposit accounts to ensure the company has sufficient funds for operations. The cash deposits are held in a mixture of short term deposits and current accounts which earn interest at a floating rate.

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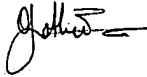
Strategic report
for the year ended 30 September 2024 *(continued)*

Principal risks and uncertainties *(continued)*

The company's policy in respect of foreign exchange risk is to match, where possible, the currency of revenue and costs, to closely monitor foreign exchange movements and to incorporate the ability, in contracts, to renegotiate rates if foreign exchange rates move by more than a certain percentage.

Approval

This strategic report was approved on behalf of the Board on 31 December 2024.



D Jethwa
Director

Phlexglobal Limited

Directors' report for the year ended 30 September 2024

The directors present their report together with their strategic report and the audited financial statements for the year ended 30 September 2024.

Results and dividends

The statement of comprehensive income is set out on page 9, and shows a turnover of £7,670k for the 12 months ended 30 September 2024 (9 months ended 30 September 2023: £5,217k), and gross profit of £1,135k for the 12 months ended 30 September 2024 (9 months ended 30 September 2023: £1,114k). The company made a loss before tax of £23,169k for the 12 months ended 30 September 2024 (9 months ended 30 September 2023: profit of £19,357k).

In March 2024 the directors recommended the payment of a dividend £12,000k (2023: £Nil).

Directors

The directors of the company who were in office during the year and up to the date of signing of the financial statements were:

D Jethwa
C Gauglitz
L M R Couston (appointed 31st March 2023; resigned 31st October 2024)
H S Samra (appointed 31st October 2024)

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 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 group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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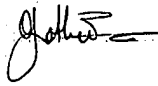
Directors' report for the year ended 30 September 2024 (*continued*)

Directors' confirmation

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

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

This report was approved by the board and signed on its behalf on 31 December 2024.



D Jethwa
Director

Phlexglobal Limited

Independent auditor's report for the year ended 30 September 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PHLEXGLOBAL LIMITED

Opinion on the financial statements

We have audited the financial statements of Phlexglobal Limited ("the Company") for the year from 1 October 2023 to 30 September 2024, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2024 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a year of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Phlexglobal Limited

Independent auditor's report for the year ended 30 September 2024 (*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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement (as set out on page 4), the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Phlexglobal Limited

Independent auditor's report for the year ended 30 September 2024 (continued)

Auditor's responsibilities for the audit of the financial statements

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

Auditor's responsibilities for the audit of the financial statements (continued)

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:

- Enquiry of management, those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff to identify any instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Imran Farooq (Senior Statutory Auditor)
For and on behalf of Rödl & Partner Limited

170 Edmund Street
Birmingham
B3 2HB

Date: 31.12.2024.....

Phlexglobal Limited

Statement of comprehensive income for the year ended 30 September 2024

	Note	12 months to 30 September 2024 £'000	9 months to 30 September 2023 Restated £'000
Turnover	3	7,670	5,217
Cost of sales		(6,535)	(4,103)
Gross profit		1,135	1,114
Administrative expenses		(25,159)	(2,878)
Operating loss	4	(24,024)	(1,764)
Interest payable and similar charges	7	(115)	(421)
Interest receivable and similar income	8	970	947
Profit on sale of investment		-	20,595
(Loss)/profit on ordinary activities before taxation		(23,169)	19,357
Taxation	9	400	594
(Loss)/profit for the year		(22,769)	19,951

All amounts relate to continuing activities.

There was no other comprehensive income in the current year or prior year and therefore no statement of other comprehensive income has been prepared.

The notes on pages 12 to 24 form part of these financial statements.

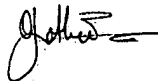
Phlexglobal Limited

Statement of financial position at 30 September 2024

Company Registration number: 03544670

	Note	30 Sept. 2024 £'000	30 Sept. 2023 Re-stated £'000
Fixed assets			
Intangible assets	10	10,744	8,691
Tangible assets	11	93	100
Fixed asset investments	12	-	-
		<u>10,837</u>	<u>8,791</u>
Long term assets			
Debtors: amounts falling due after more than one year	13	11,167	25,540
Current assets			
Debtors	14	15,745	66,812
Cash at bank and in hand		2,139	1,874
		<u>17,884</u>	<u>68,686</u>
Creditors: amounts falling due within one year	15	(19,673)	(48,278)
Net current assets		<u>(1,789)</u>	<u>20,408</u>
Total assets less current liabilities		<u>20,215</u>	<u>54,739</u>
Provisions for liabilities	16	(734)	(621)
Total non-current liabilities		<u>(734)</u>	<u>(621)</u>
Net assets		<u>19,481</u>	<u>54,118</u>
Capital and reserves			
Called up share capital	17	1	1
Share premium account	18	984	852
Retained earnings	18	18,496	53,265
Shareholders' funds		<u>19,481</u>	<u>54,118</u>

The financial statements were approved by the Board of Directors and authorised for issue on 31 December 2024.



D Jethwa
Director

The notes on pages 12 to 24 form part of these financial statements.

Phlexglobal Limited

Statement of changes in equity for the year ended 30 September 2024

	Called up Share Capital	Share premium	Retained earnings Restated	Total
	£'000	£'000	£'000	£'000
1 January 2023	1	852	33,314	34,167
Profit for the period	-	-	19,951	19,951
30 September 2023	1	852	53,265	54,118
Loss for the year	-	-	(22,769)	(22,769)
<i>Contributions by owners:</i>				
Issue of share capital	-	132	-	132
Dividends paid	-	-	(12,000)	(12,000)
30 September 2024	1	984	18,496	19,481

The notes on pages 12 to 24 form part of these financial statements.

Phlexglobal Limited

Notes forming part of the financial statements for the year ended 30 September 2024

1 Accounting policies

Phlexglobal Limited is a private company limited by shares incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the company's operations and its principal activities are set out in the strategic report. The financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard ('FRS 102') the Financial Reporting Standards applicable in the United Kingdom and the Republic of Ireland. The presentation currency of these financial statements is pound sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying accounting policies. These critical accounting estimates and judgements are discussed in more detail in note 2.

The following principal accounting policies have been applied:

Going concern

The directors consider that the company has access to sufficient funding to meet its financial obligations as they fall due. In addition, the company is expected to continue to be profitable, generate positive cash flows on its own account for the foreseeable future, and to experience further growth from wider group synergies in the coming year. In addition, the Group is expected to continue to generate positive cash flows for the foreseeable future based upon a detailed budget prepared for 2025. As a result the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover and revenue recognition

Turnover represents revenue (excluding VAT) earned under a wide variety of contracts to provide a range of different professional services. Revenue is generally recognised as contract activity progresses so that for incomplete contracts it reflects the partial performance of the contractual obligations. For such contracts the amount of revenue reflects the accrual of the right to consideration by reference to the value of work performed. Revenue not billed to clients is included in debtors as accrued revenue and invoices on account in excess of the relevant amount of revenue are included in creditors as deferred revenue.

Software development, intangible assets and amortisation

Software development costs are recognised as an intangible asset when the company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during development. Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised evenly over the year of expected future benefit. During the year of development the asset is tested for impairment annually.

All costs that the directors consider relate to the ongoing maintenance of the underlying platform are expensed directly to the income statement.

Amortisation is recognised on a straight line basis over their estimated useful lives at the following rates:

Trademarks and licences	- over 10 years
Capitalised software development	- over 3 years

Phlexglobal Limited

Notes forming part of the financial statements for the year ended 30 September 2024 (continued)

1 Accounting policies (continued)

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold land and buildings	-	life of the lease
Computer equipment	-	33% on the straight line basis
Fixtures, fittings and equipment	-	25% on the straight line basis

Leases

Rentals payable under operating leases are charged to the income statement on a straight-line basis over the term of the lease.

Investments

Fixed asset investments are stated at cost less provision for diminution in value.

Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the income statement in the year they are payable.

Phlexglobal Limited

Notes forming part of the financial statements for the year ended 30 September 2024 (continued)

1 Accounting policies (continued)

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of comprehensive income within Administrative expenses

Financial assets and liabilities

The company's financial assets and liabilities mainly comprise related party receivables, borrowings and related party payables.

Receivables are non-interest bearing and are recognised at amortised cost as reduced by appropriate allowances for irrecoverable amounts.

Payables are repayable on demand, non-interest bearing and are recognised at fair value on inception and amortised cost in subsequent years.

Preparation of consolidated financial statements

The financial statements contain information about Phlexglobal Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken the option under section 401 of the Companies Act 2006 not to prepare consolidated financial statements as the results of the company and its subsidiaries are included within the consolidated financial statements of Cencora Inc, which has its registered office at 1 West First Avenue, Conshohocken, PA, USA.

Exemption from preparing a cash flow statement

The company has taken the exemption within Chapter 1 of FRS 102, not to prepare a cash flow statement as it is included within the consolidated financial statements of its of its ultimate parent, Cencora Inc. which are publicly available.

Disclosure of short year

The financial statements for the year ended 30 September 2024 cover a year of twelve months, as opposed to the previous 9 months financial year which ended on 30 September 2023, when the company made a decision to shorten its accounting year to align with the wider group year-end. Due to the change in the length of the previous reporting year, the comparative figures presented in the financial statements are not entirely comparable with the current year's figures.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to exercise judgement in applying the accounting policies. Estimates and assumptions used in the preparation of the financial statements are continually reviewed and revised as necessary.

In preparing these financial statements, the directors have made the following judgements:

- Determine whether there are indicators of impairment of the company's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Phlexglobal Limited

Notes forming part of the financial statements for the year ended 30 September 2024 (continued)

2 Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

Other key sources of estimation uncertainty

- Tangible fixed assets (note 11)

Tangible fixed assets are depreciated over their estimated useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

- Intangible fixed assets (note 10)

Intangible fixed assets are amortised over their estimated useful lives, with no residual value. The actual lives of the assets are assessed annually and may vary depending on a number of factors.

- Development expenditure (note 10)

Initial capitalisation of costs is based on management's judgement that technical and economic feasibility is confirmed. In determining the amounts to be capitalised management makes assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected year of benefits.

Prior Year Restatements

Intangible Fixed Assets

During the year it was discovered that on a cumulative NBV basis historic fixed asset register items had not been included in the company's books. These amounts have been restated in 2023, resulting in an £511k increase in intangible fixed assets and a corresponding £511k increase in last year's profit and reserves at the beginning of this year.

3 Turnover

The company has one class of business, and in the 12 months ended 30 September 2024 90% (9 months ended 30 September 2023: 88%) of the company's services were rendered to markets outside the United Kingdom.

4 Operating loss

	12 months to 30 September 2024	9 months to 30 September 2023 Restated
	£'000	£'000
This is arrived at after charging/(crediting):		
Operating leases:		
- Hire of land and buildings	12	166
- Hire of other assets	7	11
Depreciation of tangible fixed assets	55	32
Amortisation of capitalised software development	5,696	3,786
Defined contribution pension cost	413	422
Auditor's remuneration for statutory audit services	25	25
(Gain)/loss on foreign exchange movements	(5,490)	592
	<u> </u>	<u> </u>

Phlexglobal Limited

Notes forming part of the financial statements for the year ended 30 September 2024 (continued)

5 Employees

	1 mth to 31 Oct. 2023 £'000	11 mths to 30 Sep. 2024 £'000	12 mths to 30 Sep. 2024 £'000	9 mths to 30 Sep. 2023 £'000
Staff costs, including directors' remuneration, consist of:				
Wages and salaries	593	6,875	7,468	4,932
Social security costs	53	831	884	523
Other post-retirement benefit costs	48	365	413	422
	694	8,071	8,765	5,877

In November 2023 the employment contracts of all the company's employees were transferred to an affiliate in the Cencora group, Pharmalex UK Services Limited. For the 11 months to 30 September 2024, Pharmalex UK Services Limited administered the company's payroll and re-charged the company for any payroll costs incurred.

	1 mth to 31 Oct. 2023	11 mths to 30 Sep. 2024	12 mths to 30 Sep. 2024	9 mths to 30 Sep. 2023
The average number of employees (including directors) during the 12 months ended 30 September 2024 (9 months ended 30 September 2023) was as follows:				
	Number	Number	Number	Number
Clinical services staff	133	-	11	103
Administration	24	-	2	24
	157	-	13	127

Phlexglobal Limited

Notes forming part of the financial statements for the year ended 30 September 2024 (continued)

6 Key management personnel

The directors are considered to be the key management personnel and their remuneration is set out below:

	12 months to 30 September 2024 £'000	9 months to 30 September 2023 £'000
Directors' emoluments	237	127
Company contributions to money purchase pension schemes	12	7
	249	134
	249	134

The directors of the company are paid by a group company. The total amount payable to the highest paid director during the 12 months ended 30 September 2024 was £236,644 (9 months ended 30 September 2023: £126,813). Company contributions to the defined contribution scheme for the highest paid director amounted to £12,311 for the 12 months ended 30 September 2023 (9 months ended 30 September 2023: £7,394).

There was 1 director (9 months ended 30 September 2023: 1) in the company's defined contribution scheme during the year of 12 months ended 30 September 2024.

7 Interest payable and similar charges

	12 months to 30 September 2024 £'000	9 months to 30 September 2023 £'000
Bank interest	6	9
Intra group loans payable	92	412
Affiliate company loans payable	17	-
	115	421
	115	421

On the 24 January 2022 Overture Topco Limited and its subsidiaries were acquired by PharmaLex UK Bidco Limited. As part of the acquisition, the company received an intercompany loan payable to PharmaLex UK Bidco Limited for £9,055,238. Interest accrues annually at a rate of 6% and the loan is repayable on 31 December 2026. On receipt of this loan, the company issued a loan to its subsidiary, Phlexglobal Inc for £3,218,597 with the same loan terms. As part of an entity rationalisation project (see page 1), the loan payable to PharmaLex UK Bidco Limited and its accrued loan interest was repaid in November 2023.

8 Interest receivable and similar income

	12 months to 30 September 2024 £'000	9 months to 30 September 2023 £'000
Bank interest receivable	21	12
Intra group loans receivable	199	148
Affiliate company loans receivable	750	787
	970	947
	970	947

Phlexglobal Limited

Notes forming part of the financial statements
for the year ended 30 September 2024 (*continued*)

9 Taxation	12 months to 30 September 2024 £'000	9 months to 30 September 2023 £'000
<i>UK corporation tax</i>		
Current charge for the year	-	77
R&D expenditure credits	(112)	(100)
Adjustments to tax charge in respect of previous year	(401)	-
	(513)	(23)
<i>Deferred tax</i>		
Origination/(reversal) of timing differences	276	(571)
Adjustments to tax charge in respect of previous year	(163)	-
	(400)	(594)

The tax assessed for the year differs to the standard rate of corporation tax in the UK applied to the result before tax. The differences are explained below:

	12 months to 30 September 2024 £'000	9 months to 30 September 2023 £'000
(Loss)/profit on ordinary activities before tax	(23,169)	19,357
	(23,169)	19,357
Tax charge calculated at the standard rate of corporation tax in the UK of 25.00% (2023: 23.02%)	(5,792)	4,456
Effects of:		
Fixed asset differences	-	(118)
Gain/(loss) on sale of investments non-taxable	6,116	(4,741)
Differences in tax rates	-	(45)
R&D expenditure credits	(112)	(100)
Brought forward losses utilised	(48)	-
Adjustments to tax charge in respect of previous year	(564)	(46)
	(400)	(594)
Total tax charge for the year	(400)	(594)

An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. Therefore, the 25% rate has been used to calculate the deferred tax asset/(liability) as at 30 September 2024 and as at 30 September 2023.

Phlexglobal Limited

Notes forming part of the financial statements
for the year ended 30 September 2024 (continued)

9 Taxation (continued)

The deferred tax balances comprise:

	Deferred tax Liability £'000
At 1 October 2023	566
Deferred tax charged to the income statement	276
Prior year adjustment	(163)
	<hr/>
At 30 September 2024	679
	<hr/>

The deferred tax liability is made up as follows:

	£'000
Short term timing differences	(14)
Fixed asset timing differences	786
Losses carried forward	(93)
	<hr/>
	679
	<hr/>

Phlexglobal Limited

Notes forming part of the financial statements
for the year ended 30 September 2024 *(continued)*

10 Intangible fixed assets

	Capitalised software development Restated £'000	Trademarks and licences £'000	Total £'000
<i>Cost</i>			
At 30 September 2023	25,459	116	25,575
Prior Year Adjustment	591	-	591
	<hr/>	<hr/>	<hr/>
At 1 October 2023 (as re-stated)	26,050	116	26,166
Additions	7,749	-	7,749
	<hr/>	<hr/>	<hr/>
At 30 September 2024	33,799	116	33,915
<i>Amortisation</i>			
At 1 October 2023	17,279	116	17,395
Prior Year Adjustment	80	-	80
	<hr/>	<hr/>	<hr/>
At 1 October 2023 (as re-stated)	17,359	116	17,475
Charge for the year	5,696	-	5,696
	<hr/>	<hr/>	<hr/>
30 September 2024	23,055	116	23,171
<i>Net book value</i>			
At 30 September 2024	10,744	-	10,744
	<hr/>	<hr/>	<hr/>
At 1 October 2023 (as re-stated)	8,691	-	8,691
	<hr/>	<hr/>	<hr/>

Phlexglobal Limited

Notes forming part of the financial statements
for the year ended 30 September 2024 (*continued*)

11 Tangible assets

	Leasehold land and Buildings £'000	Computer equipment £'000	Fixtures, fittings and Equipment £'000	Total £'000
<i>Cost</i>				
At 1 October 2023	498	1,304	250	2,052
Transfer from affiliate	-	889	44	933
Additions	-	39	9	48
At 30 September 2024	498	2,232	303	3,033
<i>Depreciation</i>				
At 1 October 2023	496	1,206	250	1,952
Transfer from affiliate	-	889	44	933
Charge for the year	2	52	1	55
At 30 September 2024	498	2,147	295	2,940
<i>Net book value</i>				
At 30 September 2024	-	85	8	93
At 30 September 2023	2	98	-	100

12 Fixed asset investments

	Subsidiary undertakings at cost £
At 1 January 2023 and 30 September 2024	2

The company has the following subsidiary undertakings:

Name	Address and country of Incorporation or registration	Proportion of voting rights and ordinary share capital held	Nature of business
<i>Subsidiary undertakings</i>			
Phlexglobal Poland SP Zoo	4th Floor, Building A, 6 Szeligowskiego St., Lublin, Poland	Ordinary, 100%	The provision of clinical research services

Phlexglobal Limited

Notes forming part of the financial statements for the year ended 30 September 2024 (continued)

13 Debtors: amounts falling due after more than one year

	30 September 2024 £'000	30 September 2023 £'000
Intra group loan receivable after more than one year	3,219	3,219
Accrued interest on intra group loan	526	330
Loan to affiliate companies	7,077	21,205
Accrued interest on loans to affiliate companies	345	786
	11,167	25,540

The intra group loan accrues interest annually at a rate of 6% and the loan is repayable on 31 December 2026.

The affiliate loan accrues interest annually at a rate of 5% and the loan is repayable on 31 January 2028.

14 Debtors

	30 September 2024 £'000	30 September 2023 £'000
Trade debtors	1,105	926
Prepayments and accrued income	2,683	1,315
Amounts due from group companies	10,910	64,152
Taxation and social security	835	419
Corporation tax asset	212	-
	15,745	66,812

Balances with subsidiary undertakings are interest free and repayable on demand. All amounts fall due for repayment in less than one year.

15 Creditors: amounts falling due within one year

	30 September 2024 £'000	30 September 2023 £'000
Trade creditors	998	1,190
Corporation tax	-	123
Accruals and deferred income	1,949	1,516
Taxation and social security	-	232
Amounts due to group companies	16,726	45,217
	19,673	48,278

Phlexglobal Limited

Notes forming part of the financial statements
for the year ended 30 September 2024 (continued)

16 Provisions for liabilities

	Property provisions £'000	Deferred tax liability £'000	Total £'000
At 1 October 2023	55	566	621
Charged to the income statement in the year	-	276	276
Other timing differences	-	(163)	(163)
	<hr/>	<hr/>	<hr/>
At 30 September 2024	55	679	734
	<hr/>	<hr/>	<hr/>

Property provisions relate to the directors' estimate of dilapidations payable on expiry of property leases held by the company.

17 Share capital

	Allotted, called up and fully paid			30 September 2023 £
	30 September 2024 Number	30 September 2023 Number	30 September 2024 £	
Ordinary shares of £0.01 each	16,952	16,951	170	170
	<hr/>	<hr/>	<hr/>	<hr/>

18 Reserves

The Company's reserves are as follows:

- Share premium reserve represents the amount in excess of the nominal value of the shares issued.
- Retained earnings represents cumulative profits or losses.

19 Commitments under operating leases

The fair value of minimum lease payments payable on the company's operating leases were as follows:

	Land and buildings 30 September 2024 £'000	Land and buildings 30 September 2023 £'000
Within one year	42	-
In two to five years	77	-
	<hr/>	<hr/>
	119	-
	<hr/>	<hr/>

Phlexglobal Limited

Notes forming part of the financial statements for the year ended 30 September 2024 (*continued*)

20 Related party transactions and ultimate controlling party

The company has taken advantage of the exemption not to disclose transactions with other wholly owned companies within the Group headed by Cencora Inc (the company's ultimate parent undertaking), since that company publishes consolidated financial statements.

21 Post retirement benefit costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund, and amounted to £413k for the 12 months ended 30 September 2024 (9 months ended 30 September 2023: £422k). Contributions totalling £68k (9 months ended 30 September 2023: £48k) were payable to the fund at the end of the year ended 30 September 2024 and, after the year end, shall be recharged by the affiliate company that administers the company's payroll.

22 Liability Limitation Agreement

The company has entered into a liability limitation agreement with its auditors which was approved on 15 August 2024. The principal terms of the agreement are fair and reasonable.