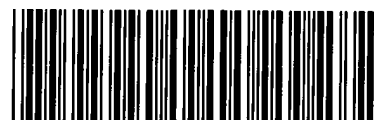

CELLO HEALTH LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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CELLO HEALTH LIMITED

COMPANY INFORMATION

Directors

Jon Williams
Mark Bentley
Eugene Gorbach
Michael Bernstein

Company secretary

Andrew Brown

Registered number

05120150

Registered office

31 Old Nichol Street
London
E2 7HR

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

Bankers

The Royal Bank of Scotland
62-63 Threadneedle Street
London
EC2R 8LA

CELLO HEALTH LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present their strategic report together with their Directors' Report and audited financial statements of Cello Health Limited for the year ended 31 December 2021.

RESULTS AND DIVIDEND

The principal activity of Cello Health Limited is that of an intermediate holding company. The principal activities of the Company's subsidiaries are the provision of consultancy, communications and market research services primarily to the pharmaceutical sector. The Company intends to operate in this sector for the foreseeable future.

The Company's results for the year are set out in the Statement of Comprehensive Income and are discussed in detail on the Business Review.

The Directors paid intercompany dividends of £56,565,000 (50.1p per share) to its parent company Pharma Value Demonstration Bidco Limited during the year (2020: £1,064,000 (1p per share)).

BUSINESS REVIEW

During the year, the Company had revenue of £3,939,000 (2020: £3,551,000) which is a 11.0% increase from prior year. The operating loss for the year was £1,510,000 (2020: £11,939,000). The Company had net current assets of £45,507,000 and net assets of £116,206,000 at 31 December 2021.

Revenue relates to the recharges to subsidiary companies for the provision of management services and increases in line with underlying management costs. The operating loss in the current year is largely attributable to costs associated with corporate activity on acquisitions and the disposal of the investment in DTA Group Limited ("DTAG"), which was completed shortly after the end of the year.

During the year the Company initiated a program to locate a buyer for its investment in DTA Group Limited ("DTAG"). In January, DTAG was sold for £16.4m in cash.

PRINCIPAL RISKS AND UNCERTAINTIES

As the Company's main purpose is to hold investments, the principal risks and uncertainties that directly impact the trading companies of the Group do not also directly impact the Company. They do however indirectly impact the Company. The consolidated financial statements of Value Demonstration UK Holdings Limited details the principal risks and uncertainties that directly face the Group and indirectly face the Company.

FINANCIAL RISK MANAGEMENT

Liquidity risk

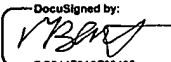
The Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs. Short term flexibility is managed through revolving credit facilities that the Group is a part of.

After making enquiries and reviewing forecasted cash flow information for the Group, the directors have a reasonable expectation that the Company and the Group have adequate resources to meet their financial obligations for the foreseeable future.

Currency risk

The Company's foreign currency risk exposure comes from USD denominated external and intercompany loans. Where there is currency exposure, there are no structural foreign exchange instruments used to hedge the Company's exposure but the finance function actively manages currencies and routinely naturally hedges currency transactions via the use of multi-currency overdraft facilities.

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

DocuSigned by:

 M Bentley

Director

Date: 1 December 2022

CELLO HEALTH LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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

Directors' responsibilities statement

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 audited for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', 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 period.

In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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;
- prepare the audited 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 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 to enable them to ensure that the audited comply with the Companies Act 2006.

Directors' Confirmation

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

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

Results and dividends

The loss for the year, amounted to £3,467,000 (2020 - profit £96,862,000).

The Directors paid a dividend of £56,565,000 (50.1p per share) during the year (2020: £1,064,000 1p per share). This is also disclosed in the Strategic Report.

Directors

The Directors of the Company who served during the year and up to the date of signing the financial statements were:

Jon Williams
Mark Bentley
Eugene Gorbach
Michael Bernstein

CELLO HEALTH LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Matters covered in the Strategic Report

The Strategic Report can be found on pages 1 to 2. This contains the principal activities and future developments of the Company, review of the business, details of the Company's principal risks and uncertainties and its financial risk management policies.

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the financial year and also at the date of approval of the financial statements. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Going concern

The Company is an intermediate holding company and will continue to provide management services during the course of the following year.

The Company, as a wholly owned subsidiary of Value Demonstration UK Holdings Limited, participates in the Group's treasury arrangements. This includes fixed and floating charges over the Companies assets held by Intermediate Capital Group plc and the Natwest Group plc, who provide the Group with debt and working capital facilities. The Group has performed a detailed review of going concern and are satisfied in the Group's ability to continue as a going concern. Value Demonstration UK Holdings Limited has provided a letter of support to the Company, confirming they will provide financial support to the Company for a period of at least 12 months from the date of approval of the financial statements if required.

Given that the Company is an intermediate holding company, the Directors do not expect there to be a direct impact on the operations of the Company from the various economic factors that would normally affect many of its subsidiary companies' operations. After reviewing the operations of the trading entities' forecasts, projections and forecast future cash flows, together with the letter of support provided by Value Demonstration UK Holdings Limited, the Directors consider the Company has adequate resources to continue in operational existence for the foreseeable future and have therefore prepared the financial statements on a going concern basis.


Post balance sheet events

There have been no significant events affecting the Company since the year end.

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

The financial statements on pages 7 to 34 were approved by the Board of Directors and signed on its behalf by:

DocuSigned by:

Mark Bentley
Director
DC044F6A0F03405...
Date: 1 December 2022

CELLO HEALTH LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CELLO HEALTH LIMITED

Report on the audit of the financial statements**Opinion**

In our opinion, Cello Health Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2021; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

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.

CELLO HEALTH LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CELLO HEALTH LIMITED

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit**Responsibilities of the directors for the financial statements**

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to applicable employment law in relevant jurisdictions and general data protection regulation (GDPR), 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 applicable tax legislation and the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the manipulation of the financial statement line items through manual journal postings and the use of inappropriate assumptions or management bias in determining accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management and the in-house legal team including consideration of known or suspected instances of non-compliance with laws and regulation;
- Challenging assumptions and judgements made by management in their significant accounting estimates in relation to revenue recognition;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations including unusual or unexpected journal postings to the statement of comprehensive income; and
- Reviewing the financial statement disclosures and agreeing to underlying supporting documentation.

CELLO HEALTH LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CELLO HEALTH LIMITED

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.

Brian Henderson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Brian Henderson (Senior statutory auditor)

for and on behalf of 

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

1 Embankment Place
London
WC2N 6RH

1 December 2022

CELLO HEALTH LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £000	<i>Restated 2020 £000</i>
Revenue	5	3,939	3,551
Operating expenses	6	(9,724)	(11,132)
Other operating income	7	-	1,080
Operating loss	6	(5,785)	(6,501)
Other income		-	7,100
Profit/(loss) on disposal of investment	12	-	100,063
Interest receivable and similar income	11	2,808	190
Interest payable and similar expenses	13	(703)	(5,880)
(Loss)/profit before tax		(3,680)	94,972
Tax on (loss)/profit	14	213	1,889
(Loss)/profit and total comprehensive (loss)/income for the financial year		(3,467)	96,861

The notes on pages 11 to 34 form part of these financial statements.


Please refer to note 3 for details of the prior year restatement.

CELLO HEALTH LIMITED
REGISTERED NUMBER: 05120150

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £000	<i>Restated</i> 2020 £000
Fixed assets			
Tangible assets	16	167	269
Investments in subsidiaries	17	68,958	71,217
		<u>69,125</u>	<u>71,486</u>
Current assets			
Trade and other receivables	18	77,846	118,784
Cash and cash equivalents	19	-	1,162
		<u>77,846</u>	<u>119,946</u>
Creditors: amounts falling due within one year	20	(32,382)	(16,813)
Net current assets		<u>45,464</u>	<u>103,133</u>
Total assets less current liabilities		<u>114,589</u>	<u>174,619</u>
Creditors: amounts falling due after more than one year	22	(34)	(125)
		<u>114,555</u>	<u>174,494</u>
Provisions for liabilities			
Other provisions	24	(40)	(40)
Net assets		<u>114,515</u>	<u>174,454</u>
Capital and reserves			
Called up share capital	25	11,108	11,108
Share premium account		34,439	34,439
Capital redemption reserve		50	50
Share-based payment reserve		93	-
Merger reserve		24,293	24,293
Profit and loss account		44,532	104,564
Total equity		<u>114,515</u>	<u>174,454</u>

The financial statements on pages 7 to 34 were approved and authorised for issue by the Board of Directors and were signed on its behalf by:

DocuSigned by:

Mark Bentley
 Director
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 Date: 1 December 2022

Please refer to note 3 for details of the prior year restatement.

CELLO HEALTH LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital	Share premium account	Capital redemption reserve	Other reserves	Merger reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000	£000	£000
At 1 January 2021	11,108	34,439	50	-	24,293	104,564	174,454
Comprehensive loss for the year							
Loss for the year	-	-	-	-	-	(3,467)	(3,467)
Total comprehensive loss for the year	-	-	-	-	-	(3,467)	(3,467)
Transactions with owners							
Credit for share-based payments	-	-	-	93	-	-	93
Equity dividends (Note 16)	-	-	-	-	-	(56,565)	(56,565)
Total transactions with owners	-	-	-	93	-	(56,565)	(56,472)
At 31 December 2021	11,108	34,439	50	93	24,293	44,532	114,515

The notes on pages 11 to 34 form part of these financial statements.

CELLO HEALTH LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital	Share premium account	Capital redemption reserve	Share-based payment reserve	Merger reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000	£000	£000
At 1 January 2020	10,668	33,209	50	844	24,293	7,277	76,341
Comprehensive income for the year							
Profit for the year	-	-	-	-	-	96,861	96,861
Total comprehensive income for the year	-	-	-	-	-	96,861	96,861
Transactions with owners							
Shares issued	485	1,230	-	-	-	-	1,715
Credit for share-based payments	-	-	-	601	-	-	601
Shares redeemed during the year	(45)	-	-	-	-	-	(45)
Transfer between reserves in respect of share options	-	-	-	(1,445)	-	1,445	-
Redemption of treasury shares	-	-	-	-	-	45	45
Equity dividends (Note 16)	-	-	-	-	-	(1,064)	(1,064)
Total transactions with owners	440	1,230	-	(844)	-	426	1,252
At 31 December 2020	11,108	34,439	50	-	24,293	104,564	174,454

The notes on pages 11 to 34 form part of these financial statements.

CELLO HEALTH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. General information

Cello Health Limited ("the Company") is a private company limited by shares incorporated in the United Kingdom under the Companies Act and is domiciled in the United Kingdom. The address of the registered office is 31 Old Nichol Street, London, E2 7HR. The principal activities of the company and its subsidiaries (the Group) and the nature of the Company's operations are set out in the strategic report on pages 1 to 2.

2. Accounting policies**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 4).

Accounting policies have been applied consistently, other than where new policies have been adopted.

2.2 Adoption of new and revised Standards effective for the first-time and issued in the period

A number of new standards, amendments and interpretations are mandatorily effective for the first time for the financial period beginning 1 January 2021 and have been applied by the Company.

- Amendment to IFRS9, IAS 39, IFRS7, IFRS4 and IFRS16 – Interest rate benchmark reform

The adoption of these new standards, amendments and interpretations has not led to changes in the Company's accounting policies or had a material impact on the financial position or performance of the Company.

New and revised IFRSs in issue but not yet effective

Certain new accounting standards, amendments and interpretations have been published that are not mandatory for periods ending 31 December 2021 and have not been early adopted by the Company.

These standards are not expected to have a material impact on the Company in the current or future reporting periods or on foreseeable future transactions.

CELLO HEALTH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)
2.3 Financial Reporting Standard 101 - reduced disclosure exemptions

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

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share-based payment
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- the requirements of paragraph 33(c) of IFRS 5 Non Current Assets Held For Sale and Discontinued Operations
- the requirement of paragraph 24(b) of IFRS 6 Exploration for and Evaluation of Mineral Resources to disclose the operating and investing cash flows arising from the exploration for and evaluation of mineral resources
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
 - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
 - paragraph 50 of IAS 41 Agriculture
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

CELLO HEALTH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)**2.4 Exemption from preparing consolidated financial statements**

The Company is a wholly owned subsidiary of Value Demonstration UK Holdings Limited. It is included in the consolidated financial statements of Value Demonstration UK Holdings Limited which are publicly available. Therefore the Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

2.5 Going concern

The Company is an intermediate holding company and will continue to provide management services during the course of the following year.

The Company, as a wholly owned subsidiary of Value Demonstration UK Holdings Limited, participates in the Group's treasury arrangements. This includes fixed and floating charges over the Companies assets held by Intermediate Capital Group plc and the Natwest Group plc, who provide the Group with debt and working capital facilities. The Group has performed a detailed review of going concern and are satisfied in the Group's ability to continue as a going concern. Value Demonstration UK Holdings Limited has provided a letter of support to the Company, confirming they will provide financial support to the Company for a period of at least 12 months from the date of approval of the financial statements if required.

Given that the Company is an intermediate holding company, the Directors do not expect there to be a direct impact on the operations of the Company from the various economic factors that would normally affect many of its subsidiary companies' operations. After reviewing the operations of the trading entities' forecasts, projections and forecast future cash flows, together with the letter of support provided by Value Demonstration UK Holdings Limited, the Directors consider the Company has adequate resources to continue in operational existence for the foreseeable future and have therefore prepared the financial statements on a going concern basis.

2.6 Revenue

Revenue is derived from management charges to subsidiary companies. Revenue is recognised on an accruals basis, net of VAT.

2.7 Leases**The Company as a lessee**

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

CELLO HEALTH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)**2.7 Leases (continued)**

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;

The lease liability is included in 'Creditors' on the Balance Sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are included in the 'Intangible Assets', 'Tangible Fixed Assets' and 'Investment Property' lines, as applicable, in the Balance Sheet.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in note 2.14.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

CELLO HEALTH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)**2.8 Finance income**

Interest income is recognised in profit or loss using the effective interest method.

2.9 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.11 Pensions**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.12 Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

CELLO HEALTH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)**2.13 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and 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 balance sheet date in the countries where the Company operates and generates income.

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

- 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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 tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.14 Tangible assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	- Over the remaining term of the lease
Fixtures, fittings and office equipment	- 25%
Computer equipment	- 33%
Right-of-use assets	- Over the lease term

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

CELLO HEALTH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)**2.15 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

2.16 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

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 intercompany receivables. To measure the expected credit losses, trade receivables and intercompany receivables are grouped based on shared credit risk characteristics and the days past due.

2.17 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.18 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

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

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.20 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

Financial assets

CELLO HEALTH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)**2.20 Financial instruments (continued)**

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

Fair value through profit or loss

All of the Company's financial assets are subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses being recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

Impairment of financial assets

The Company always recognises lifetime ECL for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Financial liabilities**Fair value through profit or loss**

Financial liabilities are classified as at fair value through profit or loss, when the financial liability is held for trading, or is designated as at fair value through profit or loss. This designation may be made if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, or the financial liability forms part of a group of financial instruments which is managed and its performance is evaluated on a fair value basis, or the financial liability forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at fair value through profit or loss. Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

CELLO HEALTH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.21 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders.

2.22 Comparative information

The comparative financial information has been restated to reflect certain adjustments as detailed in note 3.

3. Comparative information

The comparative financial information has been restated to reflect certain adjustments as detailed below:

Foreign exchange gains/ (losses) has been moved from operating expenses to interest payable and similar expenses on the face of the statement of comprehensive income and within the associated notes. Foreign exchange gains/ (losses) on loans is no longer deemed an operating cost, but instead a finance cost, hence the restatement. There is no affect on the balance sheet in respect to this adjustment.

		31 December 2020 Reported £000	31 December 2020 Adjustment £000	31 December 2020 Restated £000
Revenue	5	3,551	-	3,551
Operating expenses	6	(16,570)	5,438	(11,132)
Other operating income	7	1,080	-	1,080
Operating loss		(11,939)	5,438	(6,501)
Other income		7,100	-	7,100
Result/ profit on disposal of investments	12	100,063	-	100,063
Interest receivable and similar income	11	190	-	190
Interest payable and similar expenses	13	(442)	(5,438)	(5,880)
(Loss)/ profit before tax		94,972	-	94,972
Tax on (loss)/profit	14	1,889	-	1,889
(Loss)/profit and total comprehensive (loss)/ income for the financial year		96,861	-	96,861

CELLO HEALTH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

3. Comparative information (continued)

In addition to the above statement of comprehensive income prior year restatement, the balance sheet has also been restated for the year ended 31 December 2020. This restatement is due to a reassessment of the treatment of share-based payments upon exercise. There is no affect on the statement of comprehensive income in respect to this adjustment.

		31 December 2020 Reported £000	31 December 2020 Adjustment £000	31 December 2020 Restated £000
Fixed assets				
Tangible assets	16	269	-	269
Investments in subsidiaries	17	70,604	613	71,217
		<u>70,873</u>	<u>613</u>	<u>71,486</u>
Current assets				
Trade and other receivables	18	118,784	-	118,784
Cash and cash equivalents	19	1,162	-	1,162
		<u>119,946</u>	<u>-</u>	<u>119,946</u>
Creditors: amounts falling due within one year	20	(16,813)	-	(16,813)
		<u>103,133</u>	<u>-</u>	<u>103,133</u>
Net current assets				
		<u>174,006</u>	<u>613</u>	<u>174,619</u>
Total assets less current liabilities				
Creditors: amounts falling due after more than one year	22	(125)	-	(125)
		<u>173,881</u>	<u>613</u>	<u>174,494</u>
Provision for liabilities				
Other provisions	24	(40)	-	(40)
		<u>173,841</u>	<u>613</u>	<u>174,454</u>
Net assets				
Capital and reserves				
Called up share capital	25	11,108	-	11,108
Share premium account		34,439	-	34,439
Capital redemption reserve		50	-	50
Share-based payment reserve		-	-	-
Merger reserve		24,293	-	24,293
Profit and loss account		103,951	613	104,564
		<u>173,841</u>	<u>613</u>	<u>174,454</u>
Total equity				
		<u>173,841</u>	<u>613</u>	<u>174,454</u>

CELLO HEALTH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

4. Judgments in applying accounting policies and key sources of estimation uncertainty

The Company makes estimates and judgements concerning the application of the Company's accounting policies and concerning the future. The resulting estimates may, by definition, vary from the actual results. Estimates are based on historical experience and various other assumptions that management and the Board of Directors believe are reasonable.

The Directors consider that no judgements that could give rise to a material change in the financial statements in the next year have been applied.

The Directors consider the critical accounting estimate that could give rise to a material change in the financial statements in the next year is in relation to impairment of investments. The Company tests the carrying value of investments annually for impairment, in accordance with the Company's accounting policies. The recoverable amount is based on value-in-use calculations, which requires estimates of future cash flows and the discount rate to apply in order to calculate the present values of these cash flows.

5. Revenue

The whole of the revenue is attributable to management charges to subsidiaries.

Analysis of revenue by country of destination:

	2021	2020
	£000	£000
United Kingdom	3,939	3,294
USA	-	257
	3,939	3,551

CELLO HEALTH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

6. Operating expenses

The operating loss is stated after charging/(crediting):

	2021	<i>Restated</i>
	£000	2020
		£000
Sales, general and administrative costs	3,577	4,652
Management fees	834	-
Lease dilapidations charge	-	40
Depreciation of tangible assets	15	31
Depreciation of right-of-use assets	100	85
Investment impairment (Note 17)	2,259	1,918
Staff costs (Note 8)	2,724	3,607
Redundancy-related costs	-	168
Transaction bonuses	-	335
Auditors' remuneration:		
- Audit of financial statements	215	296
	9,724	11,132

7. Other operating income

	2021	2020
	£000	£000
Gain on revaluation of other investments	-	1,080
	-	1,080

CELLO HEALTH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2021	2020
	£000	£000
Wages and salaries	2,289	2,627
Social security costs	316	353
Share-based payment charges	93	601
Other pension costs	26	26
	2,724	3,607

The average monthly number of employees, including the directors, during the year was as follows:

	2021	2020
	No.	No.
Directors	4	7
Finance and administration	7	9
	11	16

CELLO HEALTH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. Directors' remuneration

	2021	2020
	£000	£000
Directors' emoluments	866	1,585
Company contributions to defined contribution pension schemes	-	1
Compensation for loss of office	-	200
	866	1,786

During the year retirement benefits were accruing to 1 director (2020 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £466 thousand (2020 - £579 thousand).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2020 - £NIL).

Share-based payment charges recognised in respect of Directors in the year amounted to £57k (2020: £554k).

During the year, nil Directors (2020: 3) exercised share options, and the highest paid Director exercised nil (2020: 701,250) share options under the long term incentive scheme operated by the Company.

M Bernstein, S McLean and E Gorbach are also directors of the ultimate parent company, Arsenal Capital Partners V LP and J Williams is also a director of Value Demonstration UK Holdings Limited, and their remuneration is reflected in the financial statements of those entities. No costs in respect of their services as directors of the Company were recharged to the Company and it is not possible to make an accurate apportionment of their remuneration (2020: nil).

Directors are considered to be key management personnel.

10. Other income

	2021	2020
	£000	£000
Dividend income from group companies	-	7,100
	-	7,100

CELLO HEALTH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. Interest receivable and similar income

	2021	2020
	£000	£000
Interest receivable from group companies	792	177
Bank interest receivable	1	13
Foreign exchange gain on loans	2,015	-
	2,808	190

12. Profit/(loss) on disposal of investments

	2021	2020
	£000	£000
Profit/(loss) on disposal of inv. in subsidiaries	-	100,063
	-	100,063

In prior year, the Company sold its shareholdings in Cello Group Inc, a US-based subsidiary, in exchange for an intercompany loan receivable of \$150m against Pharma Value Demonstration Bidco Limited, and made a profit of £100,063 on the sale.

13. Interest payable and similar expenses

	2021	2020
	£000	£000
Bank interest payable	128	68
Other loan interest payable	22	127
Loans from group undertakings	550	242
Interest on lease liabilities (Note 23)	3	5
Foreign exchange loss on loans	-	5,438
	703	5,880

CELLO HEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

14. Tax on (loss)/profit

	2021 £000	2020 £000
Corporation tax		
Current tax on (loss)/profit for the year	(569)	(1,264)
Adjustments in respect of previous periods	117	(126)
Total current tax	(452)	(1,390)
Deferred tax		
Current year	313	(499)
Adjustment in respect of previous periods	(76)	-
Effect of changes in tax rates	2	-
Tax on (loss)/profit	(213)	(1,889)

Factors affecting tax credit for the year

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

	2021 £000	2020 £000
(Loss)/profit before taxation	(3,680)	94,972
(Loss)/profit before taxation multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(699)	18,045
Effects of:		
Expenses not deductible for tax purposes	444	938
Adjustments to tax charge/(credit) in respect of prior periods	43	(126)
Other timing differences leading to a increase/(decrease) in taxation	(1)	(385)
Non-taxable income	-	(20,361)
Total tax credit for the year	(213)	(1,889)

CELLO HEALTH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. Tax on (loss)/profit (continued)**Factors that may affect future tax charges**

In the Spring Budget 2021, the UK Government confirmed that from 1 April 2023 the corporation tax rate would increase to 25%. 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.

15. Dividends

	2021	2020
	£000	£000
Final dividend 2019 - 1.00p per share (paid 20 May 2020)	-	1,064
Final dividend 2021 - 50.1p per share	56,565	-
	<hr/> 56,565 <hr/>	<hr/> 1,064 <hr/>

CELLO HEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

16. Tangible assets

	Leasehold improve- ments £000	Fixtures, fittings and office equipment £000	Computer equipment £000	Right-of-use assets £000	Total £000
Cost					
At 1 January 2021	78	63	106	375	622
Additions	-	-	13	-	13
At 31 December 2021	78	63	119	375	635
Accumulated depreciation					
At 1 January 2021	42	55	86	170	353
Charge for the year	15	3	12	85	115
At 31 December 2021	57	58	98	255	468
Net book value					
At 31 December 2021	21	5	21	120	167
At 31 December 2020	36	8	20	205	269

The net book value of owned and leased assets included as "Tangible fixed assets" in the Balance Sheet is as follows:

	2021 £000	2020 £000
Tangible fixed assets owned	47	64
Right-of-use tangible fixed assets	120	205
Net book value	167	269

Information about right-of-use assets is summarised below:

Net book value

	2021 £000	2020 £000
Property	120	205

CELLO HEALTH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

16. Tangible assets (continued)**Depreciation charge for the year ended**

	2021	2020
	£000	£000
Property	85	85
	<u><u>85</u></u>	<u><u>85</u></u>

17. Investments in subsidiaries

	Investments in subsidiary companies £000
Cost	
At 1 January 2021	94,168
At 31 December 2021	<u>94,168</u>
Impairment	
At 1 January 2021	22,951
Charge for the period	2,259
At 31 December 2021	<u>25,210</u>
Net book amount	
At 31 December 2021	<u>68,958</u>
At 31 December 2020 (restated)	<u><u>71,217</u></u>

An impairment charge of £1,425,000 and £834,000 was charged in the year relating to the Company's investment in RS Consulting Group Limited and Chairros Holdings Limited respectively.

Please refer to note 3 for the 31 December 2020 net book amount restatement.

CELLO HEALTH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

17. Investments in subsidiaries (continued)**Subsidiary undertakings**

The following were directly held subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Insight Medical Research Limited	31 Old Nichol Street, London, E2 7HR	Market research and consultancy	Ordinary	100%
Cello Health Group Limited	31 Old Nichol Street, London, E2 7HR	Holding company	Ordinary	100%
RS Consulting Group Limited	31 Old Nichol Street, London, E2 7HR	Holding company	Ordinary	100%
The MSI Consultancy Limited	Cello House, West Street, Farnham, Surrey GU9 7EQ	Strategic and marketing consultancy	Ordinary	100%
iS Healthcare Dynamics Limited	Cello House, West Street, Farnham, Surrey GU9 7EQ	Healthcare marketing and management	Ordinary	100%
Cello Health GmbH	Leipziger Platz 3, 10117 Berlin	Marketing consultancy	Ordinary	100%
DTA Group Limited	12 Flitcroft Street, Covent Garden, London, England, WC2H 8DL	Holding company	Ordinary	100%
Lumanity Health (previously Farm Communications) Limited	31 Old Nichol Street, London, E2 7HR	Dormant	Ordinary	100%
Chiaros Holdings Limited	31 Old Nichol Street, London, E2 7HR	Dormant	Ordinary	100%

CELLO HEALTH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

18. Trade and other receivables

	2021	2020
	£000	£000
Amounts owed by group undertakings	76,152	116,619
Other debtors	271	-
Prepayments	397	201
Corporation tax	719	1,418
Deferred taxation (Note 21)	307	546
	77,846	118,784

Amounts owed by group undertakings at 31 December 2021 included a loan of \$150m to Pharma Value Demonstration Bidco Limited, which was created in October 2020 as a result of the disposal of the Company's investment in Cello Group Inc., and carries an interest of 0.17%.

All other amounts owed by group undertakings that are funding balances are unsecured and repayable on demand, and carry interest at 3.25% (2020: 1.75%).

There were no material expected credit loss allowances recognised on trade or intercompany receivables in the period 31 December 2021 (2020: Nil).

19. Cash and cash equivalents

	2021	2020
	£000	£000
Cash at bank and in hand	-	1,162
Less: bank overdrafts	(2,298)	-
	(2,298)	1,162

CELLO HEALTH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

20. Creditors: Amounts falling due within one year

	2021	2020
	£000	£000
Bank overdrafts	2,298	-
Loan notes	-	19
Trade creditors	281	98
Amounts owed to group undertakings	27,247	13,643
Other taxation and social security	90	512
Lease liabilities (Note 23)	82	88
Other creditors	136	126
Accruals	2,248	2,327
	32,382	16,813

Amounts owed to group undertakings that are funding balances are unsecured and repayable on demand, and carry interest at 3.25% (2020: 1.75%).

21. Deferred taxation

	2021	2020
	£000	£000
At beginning of year	546	47
Credited/(charged) to profit or loss	(239)	499
At end of year	307	546

The deferred tax asset is made up as follows:

	2021	2020
	£000	£000
Decelerated/(accelerated) capital allowances	(231)	2
DT on losses	546	480
Other	(8)	64
	307	546

CELLO HEALTH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

22. Creditors: Amounts falling due after more than one year

	2021	2020
	£000	£000
Lease liabilities	34	125
	<u>34</u>	<u>125</u>

23. Lease liabilities

Movements in lease liabilities in the year to 31 December 2021 are as follows:

	Land and buildings	<i>Land and buildings</i>
	2021	2020
	£000	£000
Lease liabilities at beginning of year	213	308
Interest on lease liabilities	3	5
Lease payments during the year	(100)	(100)
Lease liabilities at year end of which:	<u>116</u>	<u>213</u>
Current lease liabilities	82	88
Non-current lease liabilities	34	125
	<u>116</u>	<u>213</u>

Movements in right-of-use assets in the year to 31 December 2021 are shown in Note 16.

CELLO HEALTH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

24. Other provisions

	Restoration costs £000
At 1 January 2021	40
At 31 December 2021	40

The Company is required to restore its leased property to its original condition at the end of the lease term, as such a provision has been recognised for the present value of these costs.

25. Called up share capital

	2021 £000	2020 £000
Allotted, called up and fully paid		
111,079,690 (2020 - 111,079,683) Ordinary shares shares of £0.10 each	11,108	11,108

26. Post balance sheet events

IFollowing a programme to locate a buyer in the year ended 31 December 2021, in January 2022 the company sold it's investment in DTA Group Limited for £16.4m in cash.

27. Controlling party

As at 31 December 2021, the immediate parent undertaking and controlling party was Pharma Value Demonstration Bidco Limited, a company incorporated in the United Kingdom. The ultimate parent undertaking and controlling party was Value Demonstration UK Holdings Limited, a company incorporated in the United Kingdom. Value Demonstration UK Holdings Limited is the largest and smallest group into which the entity has been consolidated for the year ended 31 December 2021. Consolidated financial statements have been drawn up for Value Demonstration UK Holdings Limited and are available from the following address:

Value Demonstration UK Holdings Limited
31 Old Nichol Street
London
E2 7HR