Annual Report and Financial Statements

LLOYDS CLINICAL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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COMPANY INFORMATION

Directors	Mark Geoffrey Coupland David John Straughan Gervase Paul Adams
Company secretary	Nichola Legg
Registered number	02764914
Registered office	Unit 4 Scimitar Park Roydon Road Harlow Essex CM19 5GU

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2024

The directors present their strategic report for the year ended 31 March 2024.

Principal Activities

Lloyds Clinical Limited (formerly Lloyds Pharmacy Clinical Homecare Limited) is a leading provider of clinical homecare services in the UK, delivering medications, nursing services, and healthcare support directly to patients' in their communities. We specialise in supporting patients with complex and chronic conditions, including oncology, rheumatoid arthritis, and multiple sclerosis.

The company has changed its name from Lloyds Pharmacy Clinical Homecare Limited to Lloyds Clinical Limited on 18 November 2024.

Our close collaboration with the NHS, pharmaceutical companies, and private healthcare providers ensures patients receive essential treatments in comfortable surroundings like their homes or at our Healthcare Centres.

Core Services:

- Home delivery of specialty medications.
- Clinical nursing services for drug administration, monitoring, and patient education.
- Patient support programmes to enhance treatment adherence and outcomes.
- Healthcare Centres across England.

The clinical homecare sector plays a vital role in expanding the NHS's capacity, enabling treatments outside of hospitals. Lloyds Clinical Limited is exploring proactive measures to further support the NHS and patients, both now and in the future.

Vision:

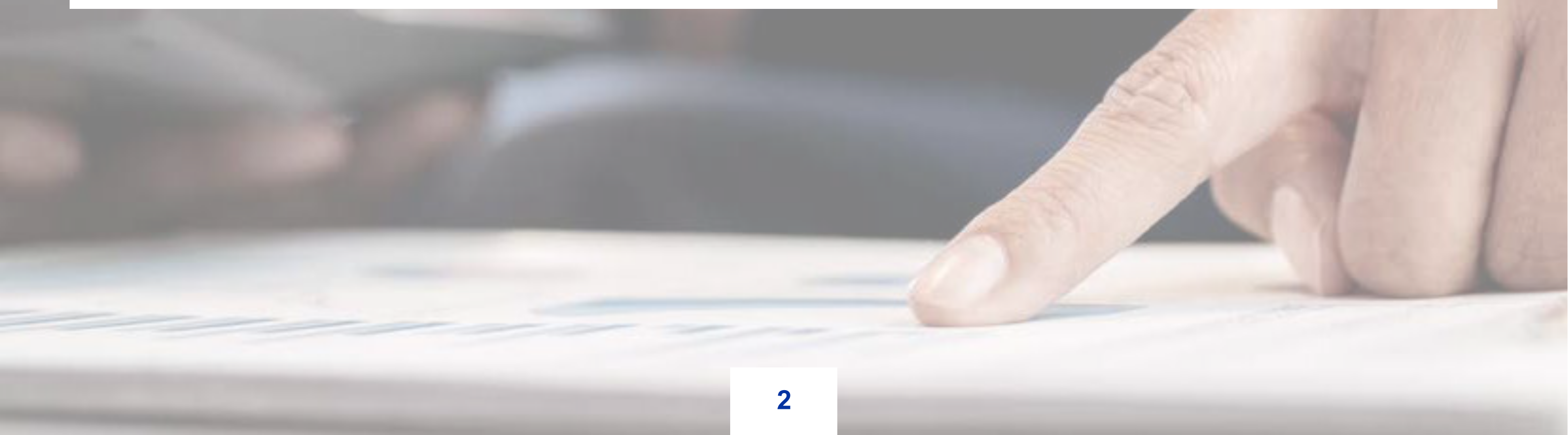
The first choice for patients and healthcare professionals providing specialist clinical treatments outside of hospital.

Mission:

Patients don't wait for treatment.

Our Values and Behavioural Framework:

- Delivering together.
- Being accountable.
- Giving it our all.
- Continually improving.



Strategic Priorities

Enhancing Patient Experience:

Goal: Improve patient satisfaction and outcomes through personalised care.

Strategy: Invest in advanced patient management systems, streamline communication, and provide real-time support.

Expanding Service Offerings:

Goal: Diversify services to capture new market segments.

Strategy: Introduce new homecare services, including mental health support, telemedicine consultations, and advanced chronic disease management programmes.

Strengthening Partnerships:

Goal: Deepen relationships with the NHS, pharmaceutical companies, and other stakeholders.

Strategy: Develop collaborative initiatives to improve care coordination, enhance service delivery efficiency, and support new drug launches.

Leveraging Technology and Innovation:

Goal: Improve operational efficiency and patient outcomes through technology.

Strategy: Adopt digital tools, including AI-powered patient monitoring systems and automated medication dispensing.

Sustainability and Corporate Responsibility:

Goal: Integrate sustainable practices and contribute to community wellbeing.

Strategy: Implement eco-friendly packaging, optimise logistics, and support community health initiatives.

Business review

The year ending 31 March 2024 has seen continued revenue growth driven by a number of factors:

1. Increased patient numbers of 3%;
2. Expanded service offerings;
3. Growth in our nurse and compounded drug services.

Through the year there has also been investment in digital technology as we look to take the business through the next phase of growth. There has been an increased focus on our nurse services as well as compounding and this has been reflected in the improved financials.

Financial Review

The business has achieved exceptional year on year growth, with operating profits of £3,731,000 (2023: £1,556,000) a rise of 140% year on year and underlying EBITDA increase of £6.3m. Increased intercompany interest receivable has given Lloyds Clinical Limited an overall profit for the year, after taxation, of £12,778,000 (2023: £10,260,000) 24.5% growth year on year.

Significant growth within the high complexity segment of the business has delivered strong year on year top line financial performance as well improved margin performance driven by improved contract negotiations reflecting cost inflationary pressures. Investment in digitisation has enabled improved efficiency and scalability within the direct cost base, which has reduced costs and improved the company's overall profitability and cash generation.

Key performance indicators

The Board tracks progress on the overall strategy and its individual components by reviewing the key performance indicators outlined below.

KPI	Year ended 31 Mar 2024	Year ended 31 Mar 2023
Turnover (£'000)	1,310,754	1,279,828
Profit for the year (£'000)	12,778	10,260
Adjusted EBITDA (£'000)	9,500	3,183
Shareholders equity (£'000)	64,654	51,876

Adjusted earnings before interest, income tax, depreciation, and amortisation (EBITDA) refers to profit excluding interest, income tax, depreciation, amortisation, non-cash asset-related charges or benefits, and restructuring costs. Adjusted EBITDA serves as the primary metric for assessing performance and allocating resources. The reconciliation to operating profit is provided below.

Adjusted EBITDA

	2024	2023
	£'000	£'000
Adjusted EBITDA	9,500	3,183
Restructuring and other exit charges	(3,655)	(3)
Bad debt expense	(257)	(16)
EBITDA	5,588	3,164
Depreciation and amortisation	(1,857)	(1,608)
Operating profit	3,731	1,556

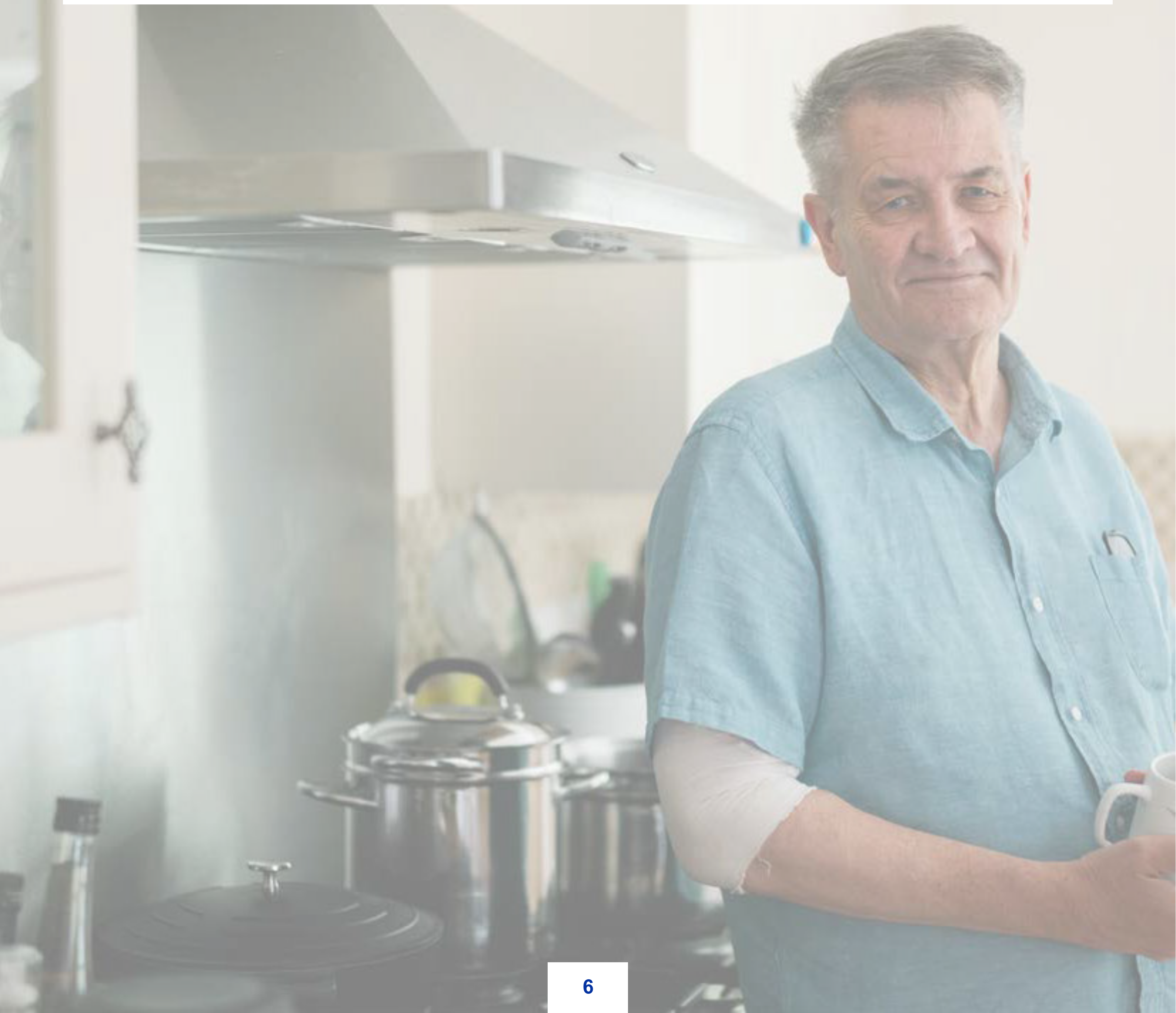
During FY24, significant changes were made in how the business engages with the wider group. Consequently, extensive restructuring was undertaken to ensure Lloyds Clinical Limited operates independently, with group costs more accurately allocated.

Market Analysis

The UK clinical homecare market (Inc Healthcare Centres) is set for growth, driven by NHS capacity challenges, particularly in Oncology as well as the drive to release hospital beds per see and treat people at home or in communities to support a better quality of life. In addition, the focus on a decentralised healthcare system, an aging population and more chronic conditions lends itself to the services Lloyds Clinical Limited provides.

Opportunities:

- The rising demand for clinical home-based care, accelerated by the COVID-19 pandemic, has increased acceptance of clinical homecare services.
- The expansion of biologic and specialty drugs requiring complex administration presents new growth opportunities.
- The integration of digital health technologies offers potential to improve care quality while reducing costs.



Risk Management

Lloyds Clinical Limited has identified several key risks and developed strategies to mitigate them. These risks are regularly reviewed by the board, with appropriate processes in place to monitor and address them.

Regulation

Lloyds Clinical Limited operates in highly regulated markets where any changes to, or non-compliance with, regulatory requirements could negatively impact business performance. Changes to laws and regulations, including those set by bodies such as the Medicines & Healthcare products Regulatory Agency (MHRA), the Care Quality Commission (CQC), the Scottish Care Inspectorate, Monitor, the General Pharmaceutical Council, and the Information Commissioner's Office, could adversely affect the Company's profitability. Additional factors such as minimum wage requirements, inflation, tax frameworks, data or privacy regulations, and health, safety, or environmental standards also pose potential risks.

Lloyds Clinical Limited achieved a 'good' rating in all categories during the CQC's most recent inspection. The company ensures staff are trained in anti-corruption and bribery, with controls in place to monitor compliance. Our ethics policies mandate rules of conduct for all employees, including directors and executives.

Economic Risk

The UK has experienced significant inflation over the last 24 months, which has placed pressure on various business costs. In response, Lloyds Clinical Limited has focused on improving productivity and implementing cost controls to mitigate these challenges. The business will continue to monitor the economic environment as inflation levels decrease.

Financial Risk Management

Lloyds Clinical Limited is exposed to various financial risks, including credit and liquidity risks. Supported by group funding, financial risk management is overseen by a central treasury function, which manages the UK group's overall funding requirements. This central function operates within a framework of clearly defined policies and procedures approved by the board of directors.

The policies approved by the board are implemented by the Company's finance department and the central treasury function. These policies, which apply to Lloyds Clinical Limited as a subsidiary of Aurelius Crocodile Limited (collectively with other subsidiaries known as the 'UK group' or the 'Group'), cover funding and hedging instruments, exposure limits, and a system of authority for the approval and execution of transactions. The treasury function reports regularly to the board.

Credit Risk

Lloyds Clinical Limited has policies in place to require appropriate credit checks on potential customers before making sales. The finance and sales teams maintain regular communication with customers to ensure that any key issues are identified early.

Liquidity Risk

Lloyds Clinical Limited participates in the banking arrangements of the UK group, with the assistance of the central treasury function. The UK group funds its operations through a mix of retained earnings, borrowings, and leasing, ensuring sufficient funds are available for day-to-day operations and other activities.

Cash flow requirements are monitored through projections compiled periodically across the group. Lloyds Clinical Limited is also an obligor under an asset-backed loan that finances the cash requirements of Aurelius Crocodile Limited and its subsidiaries.

Energy Use and Carbon Footprint

Lloyds Clinical Limited is committed to reducing energy consumption and its carbon footprint across the business. We have engaged with 'Sustainable-Advantage' to identify risks and mitigation strategies associated with Environmental, Social, and Governance (ESG) practices. Sustainable-Advantage has also supported the development of a recycling scheme, and other initiatives aimed at moving the business towards carbon neutrality.

Details of Climate-related financial disclosures and emission targets for the year ended 31 March 2024 can be found in the group accounts of Aurelius Crocodile Limited (of which the Company is a subsidary) (2023: in the group accounts of Aurelius Elephant Limited), publicly available on the Companies House website, therefore not presented in this individual company accounts.

Corporate Social Responsibility

Our Corporate Social Responsibility (CSR) strategy reflects our strong commitment to our patients, colleagues, the environment, the community, and ethical practices. We are proactively implementing eco-friendly packaging solutions and optimising our logistics operations to reduce our carbon footprint.

Statement by the Directors on the Performance of their Statutory Duties in accordance with s172(1) of the Companies Act 2006.

This statement outlines how the Directors have complied with section 172(1)(a)-(f) of the Companies Act 2006 in promoting the success of the Company for the benefit of its stakeholders.

As a highly regulated business, we must carefully consider the long-term consequences of our decisions. Our shareholders have invested capital with the aim of driving long-term value. The Directors' report provides an overview of the board's role in managing the business, upholding our reputation, managing risks, and balancing the needs of all stakeholders. The nature of our highly regulated business requires that we consider the long-term consequences of our decisions. The Directors' report describes the boards role in managing the business, our reputation, risks and balancing stakeholders needs for the long-term. The Company's key stakeholders are outlined below:

Colleagues

Our colleagues are essential to the successful implementation of our strategy, with many dedicated to serving both our customers and suppliers. We are committed to fostering a culture where everyone feels heard, valued, and empowered.

We engage with our colleagues through multiple channels, including employee surveys, conferences, and forums such as Town Hall meetings. These forums allow colleagues to interact with our CEO, receive updates on strategic initiatives, and celebrate outstanding achievements.

We place great emphasis on the health and wellbeing of our colleagues, offering support for physical, mental, and financial health. Employees have access to a wide range of wellbeing resources, including the Health Assured website and app, which provides 24/7 access to health and wellbeing support.

Employees are actively encouraged to raise concerns. We have a Whistleblowing Policy in place, supported by a confidential reporting line, allowing employees to voice concerns without fear of negative consequences or retaliation.

Our commitment to safety and inclusivity extends to collaborating with trade unions to ensure a secure and welcoming workplace for all. The board receives regular reports on opportunities and concerns raised by colleagues through board, committee, and management meetings.

Customers and Suppliers

We are focused on building strong, long-term relationships with both our customers and suppliers to promote sustainable profit growth. Engagement with customers and suppliers is conducted primarily through formal reviews and regular conferences, where shared concerns are discussed.

Key areas of focus include patient and nurse safety, ensuring product availability through secure and coordinated supply chains, and supporting prompt payment. The board is regularly briefed on customer and supplier metrics, feedback, and any opportunities or issues through board and management reports.

Key decisions made in the year

The Directors of the parent entity completed an internal reorganisation project during the year, which has seen the wider group move to individual business unit reporting with its own Board of Directors. This has improved governance and enhanced the ability of Lloyds Clinical Limited to improve its operations, particularly in respect of patient safety and service, which is of utmost importance to the Directors.

Communities and the environment

We engage with local communities to build trust and understand the issues that are important to them. Key areas of focus include how we can support local causes and issues, create opportunities to recruit, help to look after the environment (refer to the Directors' report) and engage with communities through social media.

Government and regulators

We operate in a highly regulated industry, and patient safety is critical. Government entities, including the Department of Health, determine reimbursement levels for the supply chain, including ourselves. We engage with the government and regulators through sector organisations such as the Healthcare Distribution Association, the National Clinical Homecare Association and the Pharmaceutical Services Negotiating Committee.

We also independently engage with stakeholders by responding to consultations, and participate in forums to inform about, educate on and discuss changes to the sector with policy makers.

Key areas of engagement include educating relevant stakeholders around the impact of changes in laws and regulations on the supply chain. The board is updated on developments through regular board and management meeting reporting on developments and takes these into account when making decisions.

Future Outlook

Lloyds Clinical Limited is well-positioned to take advantage of the increasing demand for homecare services. The company's focus on innovation, strong partnerships, and patient- centered care will be pivotal in driving future growth. Over the next three to five years, key initiatives will include expanding the range of clinical services, enhancing digital health capabilities, and exploring international opportunities.

- **Projected Growth:** Anticipated double-digit growth in patient numbers and revenue over the next five years, with a focus on expanding into new therapeutic areas.
- **Strategic Alliances:** Strengthen partnerships with key stakeholders to foster innovation and improve patient outcomes.

These initiatives will support the company in maintaining its leadership in the homecare sector, while delivering enhanced value to patients and partners.

Signed by:
Mark Coupland
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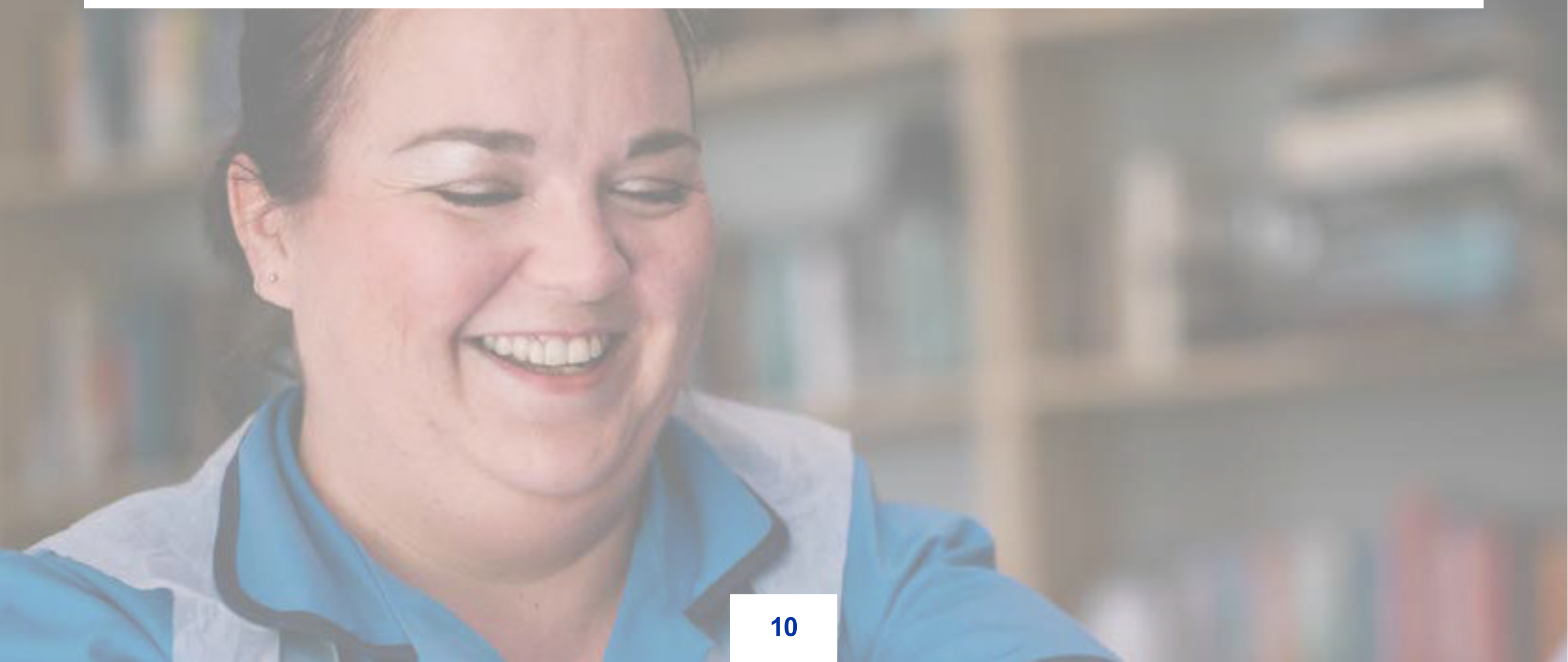
This report was approved by the board and signed on its behalf.

Mark Geoffrey Coupland
Director

Date: 20 December 2024



DIRECTORS REPORT

The directors present their report and the financial statements for the year ended 31 March 2024.

Directors

The directors who served the Company during the year, and up to the date of approval of these financial statements, were as follows:

Wendy Margaret Hall	(appointed 27 July 2022, resigned 14 March 2024)
Robin Lindsay Dargue	(appointed 27 July 2022, resigned 31 January 2024)
Nicholas Edward Davis	(appointed 20 October 2022, resigned 22 December 2023)
Narinder Singh	(appointed 23 February 2023, resigned 14 July 2023)
Mark Geoffrey Coupland	(appointed 1 November 2023)
David John Straughan	(appointed 1 November 2023)
Gervase Paul Adams	(appointed 18 December 2023)

Results and dividends

The profit for the year, after taxation, amounted to £12,778 thousand (2023 £10,260 thousand).

The directors do not recommend the payment of a dividend (2023: £nil).

Events after the end of the reporting period

On 18 November 2024 the company changed its name from Lloyds Pharmacy Clinical Homecare Limited to Lloyds Clinical Limited.

Future developments

The company remains focused on continuing to grow and support additional patients in both high tech and low tech services within the clinical home health market. In parallel to this, plans are in place to adopt new processes and technology to improve patient experience and drive increased cost efficiencies.

Energy and Carbon Reporting

Details of Energy and Carbon reporting for the year ended 31 March 2024 can be found in the group accounts of Aurelius Crocodile Limited (of which the Company is a subsidiary), publicly available at the Companies House website, therefore not presented in this individual company accounts. (2023: in the group accounts of Aurelius Elephant Limited).

Going concern

The directors are required to assess whether adequate financial resources are available to continue to operate as a going concern for a period of not less than 12 months after the approval of these statutory financial statements. In making this assessment, the directors considered a number of factors, including the business strategy and the forecasts prepared by Management for the Company and wider Group.

The Company delivered an operating profit of £3.7m for the year and had net assets of £64.7m at the year end. Furthermore, the Company, as part of the Aurelius Elephant Limited group ("AEL Group"), entered into a new asset-backed loan ("ABL") facility in September 2023 for a minimum period of three years. Under the terms of the facility, the wider group in which the Company is a member can borrow up to £275m against eligible receivables. The loan facilities are secured on qualifying accounts receivables of certain operating subsidiaries. The Company is an obligor and guarantor to the loan facility and is bound by the Group's financing arrangements. Therefore, the Directors have also considered the financial performance and forecasts of the Group and its ability to comply with the Group's financing arrangements when assessing going concern.

The Directors have considered the forecasts for the period ending December 2025 which enables them to have the greatest visibility and granularity and therefore considered to be the period most relevant for this going concern assessment. For the purposes of the going concern assessment, the Group makes estimates of likely future cash flows which are based on assumptions including sales and margin assumptions, cost of labour and supplies and working capital movements. The assumptions are based on recent performance, external factors and management's knowledge and expertise of the cashflow drivers.

The ABL financial covenants require the AEL Group to maintain cash headroom of not less than £25m at the close of each business day. The AEL Group has consistently achieved this.

The AEL Group Leverage/EBITDA ratio must not exceed 3.0 until June 2024, and 2.5 thereafter. The AEL Group forecasts that this will be an average of 0.29 for the period through to December 2025. The Directors have performed a sensitivity analysis on the forecast and have determined EBITDA would need to fall by 79% (£74m) to cause a breach in the EBITDA leverage covenant of the AEL Group.

Therefore, the Directors concluded that the ABL facility is sufficient to enable the Company to continue as a going concern for a period of at least 12 months from the approval of these financial statements and therefore provide a reasonable basis to support the going concern assertion for the financial statements.

Donations

There were no political or charitable donations made in the year (2023: none)

Employment of disabled persons

Wherever possible, disabled persons are given the same consideration for employment opportunities as other applicants, and training and promotion prospects are identical. In particular, special consideration is given to continuity of employment in the case of an employee who becomes disabled, with suitable retraining for alternative employment, if applicable.

Qualifying third party indemnity provisions

Liability insurance, a qualifying third party indemnity provision for the purposes of the Companies Act 2006 was provided for the UK directors by Admenta UK Limited, an intermediate parent entity. On the date of approval of the financial statements, liability insurance was also in force.

Shareholders

The ultimate parent undertaking of the Company is Aurelius European Opportunities IV, S.C.A. SICAV-RAIF, a Luxembourg fund. As a subsidiary of this company, our strategy and financial and operating plans are reviewed at least annually, adjusted as required, and approved by the relevant board committees of Aurelius.

Statement of corporate governance arrangements

The Board of Directors (the "Board") is responsible for driving the strategy of the business. Within a framework of effective governance, accountability and transparency, the Board must have regard to the interests of its shareholders, colleagues, patients and customers, suppliers and the wider community, in the way in which decisions are considered, made and executed.

The Board has ensured that there remains in place a robust governance framework to support appropriate and transparent management and decision-making processes. This framework enables the Board to be assured of the quality of its services, and of the effectiveness with which the Board is alerted to risks to the achievement of its overall purpose and priorities. This understanding is underpinned by our internal policy framework which ensures that the way in which we operate is fully aligned with the expectations of our shareholders and is based on the Wates Corporate Governance Principles for Large Private Companies.

Purpose and Leadership

The oversight function of corporate governance is performed by the Board. The Board is responsible for fostering the businesses' culture and values and to ensure long term success.

The Board ensures that the strategy is well defined and implemented. Alongside this, the statutory boards of the relevant subsidiaries have begun to develop business unit specific governance frameworks, which include for example regular statutory board meetings covering key governance, compliance, and clinical governance topics, individual delegations of authority and business unit specific policy frameworks.

Board composition and Director responsibilities

The Board is structured to ensure a balance of skills and experience. Further to this, the business has in place a committee structure as part of its governance framework, listed below. Each committee has clear authorities delegated to it by the Board. Those delegations and authorities are set out in their respective committee terms of reference and the Board's schedule of matters reserved for the Board. Advice and oversight are provided through well structured, planned, and authorised board committees, that provide a platform to deal with specific issues requiring specialised areas of expertise. Committees also provide the benefit of strong accountability. Committee members have specific assigned tasks and are directly accountable to the Board for completing them. Each committee has a regular, structured reporting cadence directly into the Board. The following committees supported the Board during the year:

1. Investment Committee
2. Quality & Clinical Risk Committee

Underpinning this structure, the corporate governance framework is supported by other internal and external sources of assurance. These include our internal local policy framework, clear delegations of authority, risk management and compliance programs, standard operating procedures, and internal assurance functions.

Opportunity and risk

The Board is responsible for achieving long-term sustainable success of the business by identifying opportunities to create sustainable value for stakeholders as well as identifying and mitigating risks.

The businesses risk management processes are integrated into strategic planning, ensuring the Board is prepared to respond to potential challenges. The business maintains as part of its governance framework a corporate risk register, and a clinical risk register. These are reviewed and updated regularly to ensure risks are captured, assessed and mitigating actions put in place and monitored. Regular reporting to the senior leadership teams ensures a culture of risk awareness. In identifying opportunities, the business encourages a culture of innovation where employees are empowered to propose new ideas and initiatives.

Remuneration

Executive remuneration structures are aligned to the long-term sustainable success of the company, taking into account pay and conditions elsewhere. To help secure and retain high-quality management and workforce, remuneration is aligned with performance, behaviours and the achievement of company strategy.

Stakeholder relationships and engagement

The success of our business is dependent on the support of all our stakeholders. Building positive relationships with stakeholders that share our values is important to us. Working together towards shared goals assists us in delivering long term sustainable success supporting the UK health care system. Further detail on how the Board has considered and has regard to the interests of its stakeholders, including shareholders, colleagues, customers, suppliers, communities and government and regulators is set out in the Section 172 statement in the strategic report.

Disclosure of information to auditors

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and

- the director 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.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditors

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

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

Signed by:
Mark Coupland
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Mark Geoffrey Coupland
Director

Date: 20 December 2024

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

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), including FRS 101 "Reduced Disclosure Framework". Under company law the the directors to prepare financial statements for each financial satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 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 Company and to 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LLOYDS CLINICAL LIMITED (CONTINUED)

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 31 March 2024 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Lloyds Clinical Limited ("the Company") for the year ended 31 March 2024 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including a summary of material 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 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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 period 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 Directors are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditors' 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LLOYDS CLINICAL LIMITED (CONTINUED)

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 this gives rise to a material misstatement in the financial statements themselves. 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.

Other Companies Act 2006 reporting

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

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

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 Strategic report or 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.

Responsibilities of Directors

As explained more fully in the Directors Responsibilities Statement, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LLOYDS CLINICAL LIMITED (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.

Extent to which the audit was capable of detecting irregularities, including fraud

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:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company through our knowledge of the business and the industry in which it operates. The most significant of these were considered to be the applicable financial reporting framework, relevant tax compliance regulations and Medicines and Healthcare products Regulatory Agency (MHRA). The audit team engaged an internal corporate tax specialist to assess the Company’s compliance with relevant tax regulations.

- We also focused on the provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context include the UK Companies Act, employment law and health and safety legislation.

- We assessed the susceptibility of the Company’s financial statements to material misstatement, including how and where fraud might occur. The areas considered to be most susceptible to fraud being management override of controls and non-routine journals in service revenue.

- We reviewed legal expenditure accounts to understand the nature of expenditure incurred.

- We obtained an understanding of the procedures and controls that the Company has established to address risks identified, or that otherwise prevent, deter, and detect fraud. Fraud risks were identified in relation to revenue and management override of controls. We performed audit procedures to address each identified fraud risk by assessing the potential for manipulation or override and then performing targeted testing on this risk.

- Selecting a sample of journal entries throughout the year, which met a defined risk criteria which included revenue journals with unusual account combinations and agreeing to supporting documentation.

- Based on the understanding obtained we designed audit procedures to identify non-compliance with the laws and regulations, as noted above. This included enquiries of in-house legal counsel, Management, review of whistleblowing reports and review of Board minutes.

- We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

- We considered remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LLOYDS CLINICAL LIMITED (CONTINUED)

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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.

DocuSigned by:
Sophie Michael
CD4490ED1C4942A...

Sophia Michael (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor

London UK

20 December 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 £000	2023 £000
Turnover	4	**1,310,754**	*1,279,828*
Cost of sales	5	**(1,221,445)**	*(1,205,684)*
Gross profit		**89,309**	*74,144*
Distribution costs	6	**(1,415)**	*(1,231)*
Administrative expenses		**(84,163)**	*(71,357)*
Operating profit	9	**3,731**	*1,556*
Interest receivable and similar income	10	**11,902**	*7,790*
Interest payable and similar expenses	11	**(2,130)**	*(1,607)*
Profit before tax		**13,503**	*7,739*
Total tax expense/(credit) on profit	12	**(725)**	*2,521*
Profit and total comprehensive income for the year		**12,778**	*10,260*

The notes on pages 24 to 45 form part of these financial statements.

Turnover and operating profit are all derived from continuing operations.

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

	Note		2024 £000		*As restated* 2023 £000
Fixed assets					
Intangible assets	13		**499**		*18*
Tangible assets	14		**4,984**		*4,204*
			5,483		*4,222*
Current assets					
Stocks	15	**56,930**		*45,919*	
Debtors: amounts falling due after more than one year	16	**885**		*1,610*	
Debtors: amounts falling due within one year	16	**283,247**		*297,849*	
Cash at bank		**2,139**		*150*	
		343,201		*345,528*	
Creditors: amounts falling due within one year	17	**(282,346)**		*(295,815)*	
Net current assets			**60,855**		*49,713*
Total assets less current liabilities			**66,338**		*53,935*
Creditors: amounts falling due after more than one year	18		**(1,443)**		*(1,872)*
			64,895		*52,063*
Provisions for liabilities					
Provisions for liabilities	19	**(241)**		*(187)*	
Net assets			**64,654**		*51,876*

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2024

	Note	**2024** **£000**	*2023* *£000*
Capital and reserves			
Called up share capital	23	**1,485**	*1,485*
Share premium account	24	**1,303**	*1,303*
Profit and loss account	24	**61,866**	*49,088*
		64,654	*51,876*

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Mark Geoffrey Coupland
Director

Date: 20 December 2024

The notes on pages 24 to 45 form part of these financial statements.

The prior year balances were restated as per note 27.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2024

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 April 2022	**1,485**	**1,303**	**38,828**	**41,616**
Comprehensive income for the year				
Profit and total comprehensive income for the year	-	-	10,260	10,260
At 1 April 2023	**1,485**	**1,303**	**49,088**	**51,876**
Comprehensive income for the year				
Profit and total comprehensive income for the year	-	-	12,778	12,778
At 31 March 2024	**1,485**	**1,303**	**61,866**	**64,654**

The notes on pages 24 to 45 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

1. General information

Lloyds Clinical Limited is a private company limited by shares and is domiciled in the UK and registered in England and Wales under Companies Act 2006 (registered number: 02764914). Lloyds Pharmacy Clinical Homecare Limited has changed its name to Lloyds Clinical Limited on 18 November 2024. Registered office address changed from Sapphire Court, Walsgrave Triangle, Coventry, CV2 2TX to Unit 4 Scimitar Park, Roydon Road, Harlow, Essex, CM19 5GU on 4 June 2024.

The nature of the Company's operations and its principal activities are set out in the strategic report on page 2. These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the company operates. All values are rounded to the nearest thousand.

2. Material accounting policies

2.1 Impact of new international reporting standards, amendments and interpretations

In the current year, the Company has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2023.

• Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 (effective from 1 January 2023)
The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy.

• Definition of Accounting Estimates - Amendments to IAS 8 (effective from 1 January 2023)
The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

These amendments do not have a significant impact on these financial statements.

The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

2.2 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.

2.3 Going concern

The directors are required to assess whether adequate financial resources are available to continue to operate as a going concern for a period of not less than 12 months after the approval of these statutory financial statements. In making this assessment, the directors considered a number of factors, including the business strategy and the forecasts prepared by Management for the Company and wider Group.

The Company delivered an operating profit of £3.7m for the year and had net assets of £64.7m at the year end. Furthermore, the Company, as part of the Aurelius Elephant Limited group ("AEL Group"), entered into a new asset-backed loan ("ABL") facility in September 2023 for a minimum period of three years. Under the terms of the facility, the wider group in which the Company is a member can borrow up to £275m against eligible receivables. The loan facilities are secured on qualifying accounts receivables of certain operating subsidiaries.The Company is an obligor and guarantor to the loan facility and is bound by the Group's financing arrangements. Therefore, the Directors have also considered the financial performance and forecasts of the Group and its ability to comply with the Group's financing arrangements when assessing going concern.

The Directors have considered the forecasts for the period ending December 2025 which enables them to have the greatest visibility and granularity and therefore considered to be the period most relevant for this going concern assessment. For the purposes of the going concern assessment, the Group makes estimates of likely future cash flows which are based on assumptions including sales and margin assumptions, cost of labour and supplies and working capital movements. The assumptions are based on recent performance, external factors and management's knowledge and expertise of the cashflow drivers.

The ABL financial covenants require the AEL Group to maintain cash headroom of not less than £25m at the close of each business day. The AEL Group has consistently achieved this.

The AEL Group Leverage/EBITDA ratio must not exceed 3.0 until June 2024, and 2.5 thereafter. The AEL Group forecasts that this will be an average of 0.29 for the period through to December 2025. The Directors have performed a sensitivity analysis on the forecast and have determined EBITDA would need to fall by 79% (£74m) to cause a breach in the EBITDA leverage covenant of the AEL Group.

Therefore, the Directors concluded that the ABL facility is sufficient to enable the Company to continue as a going concern for a period of at least 12 months from the approval of these financial statements and therefore provide a reasonable basis to support the going concern assertion for the financial statements.

2.4 Revenue recognition

Revenue is stated at invoice value excluding discounts and value added tax. Revenue comprises sales of goods (predominantly the sale of pharmaceutical drugs and compounded drugs) and services (delivery and other nursing services) at invoice or reimbursement value less discounts and excluding value added tax.

Revenue is recognised when control of the goods is transferred to the customer, provided that the amount of revenue can be reliably measured, and it is likely that economic benefits will flow to the Company. Service revenues are recognised at a point in time when services are provided to the customer.

For the sale of goods, the customer obtains control at the point in time at which the goods are delivered. The transfer of control is not tied to the transfer of legal ownership. For expected returns a refund liability is recognised as well as a corresponding asset for the right to recover goods from customers.

Our performance obligation is to deliver goods or services. It is satisfied when control of the promised good or service is transferred to the customer, either at a point in time or over time, depending on the nature of the obligation and the terms of the contract. If one party to the contract has satisfied its performance obligation, but the other party has not yet, then the contract is accounted for as either a contract liability or a contract asset, whereby an unconditional right to receive payment is presented separately as a trade receivable. As we usually satisfy our performance obligation to deliver goods or services first, which results in an unconditional right to receive payment, our contract balances are typically not material.

2.5 Interest income

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

2.6 Current and deferred taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date.

Current income tax relating to items recognised directly in equity and other comprehensive income is also recognised in equity and other comprehensive income and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax
Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. This is unless the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted, or substantively enacted, at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside the income statement. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.7 Intangible assets

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the company are recognised as intangible assets when the following criteria are met:

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

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Amortisation is calculated on a straight-line basis so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows;
- Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed three years.

2.8 Tangible fixed assets

All tangible fixed assets are stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.
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.

The estimated useful lives range as follows:

Leasehold improvements	-	3 - 7	years
Fixtures, fittings and equipment	-	3 - 7	years
IT Hardware	-	3 - 7	years
Right-of-use buildings	-		Over period of the lease
Right-of-use-other equipment	-		Over period of the lease

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.

2.9 Impairment of fixed assets

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.10 Financial instruments

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

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.

Classification
The company classifies its financial assets into loans and receivables.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the end of the reporting period. The company’s loans and receivables comprise trade and other receivables.

Trade and other debtors / creditors
Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using theeffective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of a similar debt instrument.

Related party receivables
Related party receivables are initially recognised at fair value, which typically represents the transaction price. Subsequently, they are measured at amortised cost using the effective interest method, less any provision for impairment.

Interest-bearing borrowings classified as basic financial instruments
Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment.
Recognition and measurement
Regular way purchases and sales of financial assets are recognised on the trade date – the date on which the company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Impairment of financial assets
The company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a loss event) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

When a loan and receivable is impaired, the company reduces the carrying amount to its recoverable
amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

2.11 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.

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

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is included in 'Creditors' on the Statement of Financial Position.

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 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.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

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 'Tangible Fixed Assets' as applicable, in the Statement of Financial Position.

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 2.9.

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 not used this practical expedient.

2.12 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount
is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.13 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.

2.14 Share Capital

Ordinary shares are classified as equity.

2.15 Cash

Cash is represented by deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.16 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.

2.17 Supplier rebates

Rebates received from suppliers are recognised as a reduction in cost of goods sold when it is probable that the rebate conditions will be met and can be measured reliably as stipulated in the associated contract.

Supplier rebates are determined based on agreed contract prices, vary depending on the terms of the contract without impacting stock levels, and are accounted for within the cost of goods sold.

2.18 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.

2.19 Provisions for liabilities

Provision for liabilities are recognised when:
- the company has a present legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources will be required to settle the obligation; and
- the amount has been reliably estimated.

Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

The company holds a dilapidation provision which is recognised based on expected costs to restore the premises to their original condition at lease expiry.

2.20 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 Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.21 Borrowing costs

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

2.22 Operating profit

Operating profit is stated after charging restructuring costs but before investment and finance income (expenses).

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In application of the company’s accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Management do not consider there to be any material critical judgements in applying the company’s accounting policies.

In the process of applying the company’s accounting policies the directors have concluded that there are no key sources of estimation uncertainty on the amounts recognised in the financial statements.

4. Turnover

An analysis of turnover:

	2024 £000	*2023* *£000*
Supply of healthcare products & services	**1,310,754**	*1,279,828*
	1,310,754	*1,279,828*

All turnover arose within the United Kingdom.

5. Cost of sales

	2024 £000	2023 £000
Cost of sales	**1,221,445**	*1,205,684*

6. Distribution costs

	2024 £000	2023 £000
Various delivery charges	**1,415**	*1,231*

7. Employees

Staff costs were as follows:

	2024 £000	2023 £000
Wages and salaries	**48,327**	*37,057*
Social security costs	**4,471**	*3,771*
Other pension costs	**1,874**	*1,596*
	54,672	*42,424*

A defined contribution pension scheme is operated by the company on behalf of the employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge represents contributions payable by the company to the fund amounted to £1,873,600 (2023: £1,595,596). Contributions amounting to £291,899 (2023: £231,424) were payable to the fund and included in creditors.

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

	2024 No.	2023 No.
Operational teams	**1,424**	*1,216*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

8. Directors' remuneration

	2024 £000	2023 £000
Directors' emoluments	852	-
Company contributions to defined contribution pension schemes	40	-
	892	-

In the prior year, the emoluments of all directors were paid by fellow subsidiary companies, which made no recharge to the Company.

Two of the directors receive no remuneration for their services from this entity, they are also directors of a number of fellow subsidiary companies, and it is impossible to make an accurate apportionment of their emoluments in respect of each of these companies. Accordingly, no emoluments in respect of these directors are disclosed.

The highest paid director's remuneration for the current year was £565,000 (2023: paid by fellow subsidiary companies).

9. Operating profit

The operating profit is stated after charging/(crediting)

	2024 £000	2023 £000
Depreciation of owned tangible fixed assets	1,072	869
Depreciation of right-of-use assets	750	692
Amortisation of intangible assets	35	46
Other rentals: land and buildings	340	425
Other rentals: plant and machinery	475	235
Movements in stock provision	27	779
Defined contribution pension cost	1,874	1,596
Fees payable to the company's auditor for the audit of the company's financial statements (non-audit services £nil (2023: £nil))	499	200

Movements in stock provision comprise stock written off due to expiration, damages or losses, and provision for stock losses.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

10. Interest receivable and similar income

	2024 £000	2023 £000
Interest receivable from group companies	11,902	6,320
Other interest receivable	-	1,470
	11,902	7,790

Intercompany interest was charged at 3% above the Bank of England rate to August 2023, and then 2% from September. The Bank of England rates increased from 4.25% to 5.25% (2023 0.75% to 4.25%). The increase in interest was driven by changes in interest rates during the year.

11. Interest payable and similar expenses

	2024 £000	2023 £000
Other loan interest payable (Note 21)	2,093	1,575
Interest expenses on leases	37	32
	2,130	1,607

12. Taxation

	2024 £000	2023 £000
Corporation tax		
Adjustments in respect of previous periods	-	(2,072)
Total current tax	-	(2,072)
Deferred tax		
Origination and reversal of timing differences	522	(193)
Adjustments in respect of prior year	203	(256)
Total deferred tax	725	(449)
Taxation on profit on ordinary activities	725	(2,521)

Factors affecting tax charge/(credit) for the year

The tax assessed for the year is lower than *(2023 - lower than)* the standard rate of corporation tax in the UK of 25% *(2023 - 19%)*. The differences are explained below:

	2024 £000	2023 £000
Profit on ordinary activities before tax	**13,503**	*7,739*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2023 - 19%)	**3,376**	*1,471*
Effects of:		
Expenses not deductible for tax purposes	**94**	*29*
Group relief claimed for nil payment in respect of prior year	**-**	*(2,208)*
Adjustments to current tax in respect of prior year	**-**	*136*
Deferred tax adjustments in respect of prior year	**203**	*(256)*
Deferred tax movement not reflected in the charge/credit	**(90)**	-
Utilisation of taxed reserves against disallowed costs	**97**	-
Impact of change in tax rate	**-**	*(46)*
Group relief claimed for nil payment	**(2,955)**	*(1,647)*
Total tax charge/(credit) for the year	**725**	*(2,521)*

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

13. Intangible assets

	Software £000
Cost	
At 1 April 2023	**3,010**
Additions - external	**516**
At 31 March 2024	**3,526**
Amortisation	
At 1 April 2023	**2,992**
Charge for the year on owned assets	**35**
At 31 March 2024	**3,027**
Net book value	
At 31 March 2024	**499**
At 31 March 2023	*18*

Intangible assets amortisation is recorded in administrative expenses in the Statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

14. Tangible assets

	Leasehold improvements £000	Fixtures, fittings and equipment £000	IT Hardware £000	Right-of-use Buildings £000	Right-of-use-Other equipment £000	Total £000
Cost						
At 1 April 2023	**7,936**	**9,310**	**2,020**	**3,814**	**150**	**23,230**
Additions	**500**	**1,045**	**690**	**367**	**-**	**2,602**
At 31 March 2024	**8,436**	**10,355**	**2,710**	**4,181**	**150**	**25,832**
Depreciation						
At 1 April 2023	**7,607**	**8,351**	**1,649**	**1,400**	**19**	**19,026**
Charge for the year on owned assets	**162**	**768**	**142**	**-**	**-**	**1,072**
Charge for the year on right-of-use assets	**-**	**-**	**-**	**700**	**50**	**750**
At 31 March 2024	**7,769**	**9,119**	**1,791**	**2,100**	**69**	**20,848**
Net book value						
At 31 March 2024	**667**	**1,236**	**919**	**2,081**	**81**	**4,984**
At 31 March 2023	*329*	*959*	*371*	*2,414*	*131*	*4,204*

Right-of-use assets

The Company's leasing activities mainly relate to warehouses and one telephony contract. The average lease term is 7 years (2023: 2 years).

Incremental borrowing rate

The weighted average incremental borrowing rate (IBR) applied to lease liabilities recognised in the balance sheet is from 3.25% to 6.04% depending on the lease term.

15. Stocks

	2024 £000	2023 £000
Goods for resale	**56,930**	*45,919*
	56,930	*45,919*

Cost of inventories recognised as an expense in the year amounted to £1,221,445,000 (2023: £1,205,684,000).

There is no significant difference between the goods for resale and their carrying amount. Stocks are stated after provisions for impairment of £726,000 (2023: £753,000).

16. Debtors

	2024 £000	2023 £000
Due after more than one year		
Deferred tax asset (Note 20)	**885**	*1,610*
	885	*1,610*

	2024 £000	2023 £000
Due within one year		
Trade debtors	**88,878**	*76,936*
Amounts owed by group undertakings	**145,206**	*175,362*
Other debtors	**26,306**	*29,432*
Prepayments and accrued income	**22,857**	*16,119*
	283,247	*297,849*

During the year all group undertakings were repaid and new funding instruments put in place, interest was charged a 3% above Bank of England Rate until August 2023 and thereafter 2% above Bank of England rate.

The intercompany loan to parent is repayable on demand or change in company control, its not required that the loan will be repaid in the next twelve months.

The recoverability of intercompany receivables is assessed based on the financial condition, performance, and liquidity of the counterparty. Management applies judgment in determining whether an impairment provision is necessary by evaluating factors such as the counterparty's ability to repay, any contractual terms, and expected future cash flows. Additionally, where the intercompany receivables have been outstanding for extended periods, management considers any changes in credit risk or liquidity to determine the appropriate provision for expected credit losses, in accordance with IFRS 9.

17. Creditors: Amounts falling due within one year

	2024 **£000**	*2023* *£000*
Bank loans (Note 21)	**11,609**	*40,941*
Trade creditors	**258,574**	*231,608*
Amounts owed to immediate parent company	**-**	*5,726*
Amounts owed to group companies	**866**	*8,234*
Other creditors including social security	**216**	*319*
Lease liabilities (Note 22)	**874**	*626*
Other creditors	**927**	-
Accruals and deferred income	**9,280**	*8,361*
	282,346	*295,815*

Amounts owed to fellow group undertakings are unsecured, have no fixed date of repayment and are repayable on demand. No interest was charged on these balances.

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

	2024 **£000**	*2023* *£000*
Lease liabilities (Note 22)	**1,443**	*1,872*
	1,443	*1,872*

19. Provisions

The company had the following provisions:

	2024 £000	2023 £000
Dilapidation provision		
At 1 April 2023	**187**	*308*
Provided in the year	**54**	*-*
Utilised in the year	**-**	*(121)*
At 31 March 2024	**241**	*187*

The dilapidations provision relates to the costs associated to the warehouses leased. The related leases are expected to expire within a period of between 1 to 4 years.

20. Deferred taxation

	2024 £000	2023 £000
At beginning of year	**1,610**	*1,161*
Rate change	**-**	*46*
(Utilised)/originated in the year	**(725)**	*403*
At end of year	**885**	*1,610*

The deferred tax asset is made up as follows:

	2024 £000	2023 £000
Accelerated capital allowances	**711**	*1,448*
Short term timing differences	**174**	*162*
	885	*1,610*

A deferred tax asset has been recognised based on forecast profits against which these timing differences are expected to reverse.

21. Bank loans

Analysis of the maturity of loans is given below:

	2024 £000	*As restated* *2023* *£000*
Amounts falling due within one year		
Bank loans	**11,609**	*40,941*
	11,609	*40,941*

During the year the 2022 Asset Backed Loan at 3% above bank of England rate was repaid before maturity in August 2023, a new Asset Backed Loan at 2% above bank of England rate commenced September 2023, with a repayment date set for September 2026.

The ABL financial covenants require the Group to maintain cash headroom of not less than £25.0 million at the close of each business day. The leverage/adjusted EBITDA ratio must not exceed 3.0 until June 2024, and 2.5 thereafter. The Company and the Group have met these covenants during the year and post year end.

The prior year balances were restated as per note 27.

22. Leases

Company as a lessee

The Company's leasing activities mainly relate to warehouses.

Lease liabilities are due as follows:

	2024 £000	*2023* *£000*
Not later than one year	**874**	*626*
Between one year and five years	**1,443**	*1,872*
	2,317	*2,498*

The following amounts in respect of leases, where the Company is a lessee, have been recognised in profit or loss:

	2024 £000	*2023* *£000*
Interest expense on lease liabilities	**37**	*32*

In the year, total cash outflows in relation to leases was £783,130 (2023: £683,850).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

23. Called up share capital

	2024	*2023*
	£000	*£000*
Authorised, allotted, called up and fully paid		
1,485,002 *(2023 - 1,485,002)* Ordinary shares of £1.00 each	**1,485**	*1,485*

24. Reserves

Share premium account

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Profit and loss account

This reserve records retained earnings and accumulated losses.

25. Contingent liabilities

The Company is a Joint Obligor and Guarantor to the Aurelius Elephant Limited asset-backed Loan ("ABL") facility. Under the terms of the facility, certain members of the Group can borrow up to £275m against eligible receivables. The loan facilities are secured on qualifying accounts receivables of AAH Pharmaceuticals Limited and Lloyds Clinical Limited.

The group outstanding balance at the balance sheet date was £25.6m for (2023: £175m).

26. Related party transactions

The Company has chosen to exercise the exemption under FRS 101.8(k) to exempt themselves from disclosing related party transactions with wholly owned group companies. Other transactions outside Aurelius Crocodile Limited group are listed below:

Statement of comprehensive income:

Rivus Fleet Solutions Ltd (Professional services) £71,425 (2023: £nil) (gross of VAT)

Rivus Fleet Solutions Ltd is related to Lloyds Clinical Limited as they are both companies invested in by Aurelius Equity Opportunities SE & Co. KGaA.

27. Restatement of prior year classification of bank loans

	Statement of financial position	Statement of financial position
	Creditors: amounts falling due within one year (Note 17)	Creditors: amounts falling due after more than one year (Note 18)
	£000	£000
At 31 March 2023 as previously stated	(254,874)	(42,813)
Prior period adjustment	(40,941)	40,941
At 31 March 2023 as restated	(295,815)	(1,872)

During the current year, the Company identified a misclassification in the presentation of bank loans in the prior year financial statements. An amount of £40,941,000, previously classified as long-term liabilities, has been reclassified as short-term liabilities to accurately reflect the terms and conditions of the underlying agreements as of the prior year-end.

This reclassification has no impact on the reported total liabilities, equity, or net income for the prior year. The restated comparative figures are presented in the current financial statements for consistency and compliance with applicable financial reporting standards.

Management has implemented additional review procedures to ensure the accurate classification of liabilities in future reporting periods.

28. Post balance sheet events

On 18 November 2024 the company changed its name from Lloyds Pharmacy Clinical Homecare Limited to Lloyds Clinical Limited.

29. Controlling party

The immediate parent undertaking is Admenta UK Limited, a company registered in England and Wales. The registered office address is The Woods, Haywood Road, Warwick, CV34 5AH.

The ultimate parent undertaking of the Company is Aurelius European Opportunities IV, S.C.A. SICAV-RAIF, a Luxembourg fund. The controlling party of the Company is Aurelius Investment Lux One SARL, a company registered in Luxembourg whose registered office address is 4, Rue Jean Monnet, L-2180 Luxembourg, Grand Duchy of Luxembourg.

The definition of significant control for the purpose of the UK “People with significant control register” is boarder than the definition of control in IAS 24. For the purpose of the PSC register, the ultimate parent undertaking and controlling party of the Company is Aur Gp Holdco (UK) Limited, a company registered in the United Kingdom. This company is the owner of the General Partner of the Aurelius European Opportunities IV, S.C.A. SICAV-RAIF.

Consolidated financial statements for the smallest and largest group of companies are prepared by Aurelius Crocodile Limited and may be obtained from Companies House. The registered office address is 6th Floor, 33 Glasshouse Street, London W1B 5DG.