

# Chanelle Medical Unlimited Company

Directors' report and financial statements

**Year ended 30 April 2025**

***Company number: 96943***

# Chanelle Medical Unlimited Company

## Directors' report and financial statements

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# Chanelle Medical Unlimited Company

## Directors and other information

<b>Directors</b>	Angelo Gatto Aubrey Mulveen
<b>Company secretary</b>	Aubrey Mulveen
<b>Registered office</b>	IDA Industrial Estate Dublin Road Loughrea Co. Galway
<b>Independent auditor</b>	KPMG Chartered Accountants Dockgate Dock Road Galway
<b>Bankers</b>	Bank of Ireland 40 Mespil Road Dublin 4 D04 C2N4 Ireland
<b>Solicitors</b>	Arthur Cox Ten Earlsfort Terrace Dublin 2
<b>Company registration number</b>	96943

# Chanelle Medical Unlimited Company

## Directors' report

The directors present their directors' report and the financial statements for the financial year ended 30 April 2025.

### **Principal activities**

The company's principal activity is the manufacturing and sale of human medical pharmaceutical products. The directors have no plans to change significantly the activities and operations of the company in the foreseeable future.

### **Business review**

Sales volumes have remained in line with the prior year.

The company's gross profit % has increased from 15% to 37% and operating profit from 2% to 9%. This is mainly due to a realignment of intercompany manufacturing agreements.

### **Key performance indicators**

The key performance indicators used by management to monitor performance are as follows:

- gross margin and operating profit indicators;
- changes in sales volumes and sales prices; and
- various working capital measures, including cash conversion.

### **Principal risks and uncertainties**

The company, like every business, faces risks and uncertainties in both its day-to-day operations and through events relating to the achievement of its strategic objectives. The board is accountable for risk management and regularly reviews and monitors the key business risks.

Of these risks, the following could have a material impact on the company's performance over the next twelve months, and are summarised below:

#### ***Competitive environment***

The environment within which the company operates remains competitive and the launch of alternative products in our key therapeutic sectors is a key risk. We continue to experience competition from other distributors' private label products and direct competition on several products in our portfolio. We continue to mitigate these risks by closely monitoring the market, continuing to innovate and develop new products, investing in lifecycle management strategies for our key products, and ongoing focus on our sales force effectiveness.

#### ***Customer and marketplace changes***

There has been continued consolidation of medical customers. These customers present opportunities to grow our revenue and sales volumes but they may also negatively impact margins. We mitigate these risks by managing our corporate customer relationships with dedicated key account managers, a regular review of pricing of our products to remain competitive in each of the segments in which we operate.

#### ***Supply chain***

Our supply chain network manages the supply of our diverse portfolio of products from our own sites, our contract manufacturing network, and third-party suppliers. Our key product supply risks are: the reliance on third party suppliers for a number of key raw materials and finished products; and the adherence to increasing regulatory standards on product quality. We mitigate the third-party reliance risk by having where possible dual sourcing arrangements for key products, and the ongoing performance monitoring of our key suppliers. We operate a global sales and operations planning process to manage supply chain performance, and continue to refine and improve this process. We mitigate our product quality risks through our manufacturing quality management systems. We both continue to allocate additional resources to our product quality teams, and to invest in the ongoing development of our quality management systems to provide the required levels of regulatory compliance.

# Chanelle Medical Unlimited Company

Directors' report *(continued)*

**Principal risks and uncertainties** *(continued)*

## **Currency movements**

We are an international business that trades in many currencies and are therefore exposed to volatility in exchange rates. The Euro and US Dollar are two of the major currencies in which we trade and given the current global political and economic environment; we expect continued currency volatility that could impact our results.

## **Future developments**

The company will continue to pursue new opportunities to grow its products and customer base, through a combination of organic growth, product delivery and expansion of our manufacturing capabilities in our facilities. Numerous marketing authorisations for product approvals have been achieved throughout the year as well as a number of licence and supply agreements. Although none are material in their own right, they all strengthen the existing product portfolio.

## **Outlook**

Trading since the start of the new financial year has been encouraging. The indications at this stage, however, are positive with strong market demand for our products and delivery pipeline. We believe in the capability of our people and our ability to execute our strategy and therefore remain confident in our future growth prospects.

## **Results for the year**

The results for the year end are set out in the statement of profit and loss account and other comprehensive income on page 9 and in the related notes. The assets, liabilities and financial positions of the company are set out in the statement of financial position on page 10.

## **Dividends**

The directors do not recommend the payment of a final dividend *(2024: €29,970 per ordinary share)*.

## **Directors and secretary and their interests**

The names of persons who served as directors throughout the financial year and, in the period post year end to date, were as follows:

Aubrey Mulveen  
Angelo Gatto (appointed 3 December 2024)  
Kara Walsh (resigned 26 August 2025)

On 26 August 2025, Kara Walsh resigned as company secretary and, on the same date, Aubrey Mulveen was appointed in her place.

The directors and secretary who held office at 30 April 2025 had no interests in the shares in, or debentures or loan stock of, the company or group companies.

## **Research and development**

The company has a structured development programme with the aim of identifying and bringing to market new pharmaceutical products. Investment in development is seen as key to strengthen further the company's competitive position. During the year, the company incurred research and development costs of €2,100,905 *(2024: €2,741,041)* that were expensed.

# Chanelle Medical Unlimited Company

## Directors' report *(continued)*

### Political contributions

The company made no political contributions nor incurred any political expenditure during the year.

### Post balance sheet events

There were no material post balance sheet events which would require adjustment to or disclosure in the consolidated financial statements.

### Accounting records

The directors believe that they have complied with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to adequate accounting records by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The accounting records of the company are maintained at IDA Business Park, Dublin Road, Loughrea, Co. Galway.

### Audit committee

The company's parent undertaking has established an Audit Committee with responsibility for:

- monitoring of the financial reporting process of the group;
- monitoring of the effectiveness of the group's systems of internal control, internal audit and risk management;
- monitoring of the statutory audit of the group's statutory financial statements; and
- reviewing and monitoring of the independence of the statutory auditors and in particular the provision of additional services to the group.

### Relevant audit information

The directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the company's statutory auditor is aware of that information. In so far as they are aware, there is no relevant audit information of which the company's statutory auditor is unaware.

### Auditor

Pursuant to Section 383(2) of the Companies Act 2014, the auditor, KPMG, Chartered Accountants, will continue in office.

On behalf of the board



Aubrey Mulveen  
Director



Angelo Gatto  
Director

17th October

2025

# Chanelle Medical Unlimited Company

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

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 assets, liabilities and financial position of the company and of its profit or loss for that year.

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

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

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the company and enable them to ensure that the financial statements are prepared in accordance with the applicable accounting framework and comply with the provisions of the Companies Act 2014. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2014.

On behalf of the board



Aubrey Mulveen  
Director



Angelo Gatto  
Director

17th October 2025



KPMG

Audit  
Dockgate  
Dock Road  
Galway  
H91 V6RR  
Ireland

## Independent auditor's report to the members of Chanelle Medical Unlimited Company

### Report on the audit of the financial statements

#### **Opinion**

We have audited the financial statements of Chanelle Medical Unlimited Company ("the company") for the year ended 30 April 2025 set out on pages 9 to 21, which comprise the statement of profit and loss account and other comprehensive income, the statement of financial position, the statement of changes in equity and related notes, including the summary of significant accounting policies set out in note 2.

The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* issued in the United Kingdom by the Financial Reporting Council.

In our opinion:

- the financial statements give a true and fair view of the assets, liabilities and financial position of the company as at 30 April 2025 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- the financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

#### **Conclusions relating to going concern**

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

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

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



## Independent auditor's report to the members of Chanelle Medical Unlimited Company *(continued)*

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

#### ***Other information***

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

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

Based solely on our work on the other information undertaken during the course of the audit, we report that:

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements; and
- in our opinion, those parts of the directors' report specified for our review, which does not include sustainability reporting when required by Part 28 of the Companies Act 2014, have been prepared in accordance with the Companies Act 2014.

#### ***Our opinions on other matters prescribed by the Companies Act 2014 are unmodified***

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

#### ***Matters on which we are required to report by exception***

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

#### **Respective responsibilities and restrictions on use**

##### ***Responsibilities of directors for the financial statements***

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.



## Independent auditor's report to the members of Chanelle Medical Unlimited Company *(continued)*

### **Respective responsibilities and restrictions on use *(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 (Ireland) 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.

A fuller description of our responsibilities is provided on IAASA's website at <https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/>.

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

Our report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Laurence May

**for and on behalf of**

**KPMG**

**Chartered Accountants, Statutory Audit Firm**

*Dockgate*

*Dock Road*

*Galway*

*H91 V6RR*

21 October 2025

# Chanelle Medical Unlimited Company

## Statement of profit and loss account and other comprehensive income for the year ended 30 April 2025

	<i>Note</i>	<b>2025</b> €	2024 €
<b>Revenue</b> – continuing operations	4	<b>51,409,586</b>	51,494,974
Cost of sales		<b>(32,642,225)</b>	(43,576,612)
		<hr/>	<hr/>
<b>Gross profit</b> – continuing operations		<b>18,767,361</b>	7,918,362
Administrative expenses		<b>(14,201,670)</b>	(7,363,718)
Other operating income	5	<b>198,186</b>	496,778
		<hr/>	<hr/>
<b>Operating profit</b>	6 – 8	<b>4,763,877</b>	1,051,422
Interest payable and similar expenses	9	<b>(25,534)</b>	(67,355)
		<hr/>	<hr/>
<b>Profit before taxation</b>		<b>4,738,343</b>	984,067
Tax on profit	10	<b>(246,239)</b>	(83,697)
		<hr/>	<hr/>
<b>Profit for the financial year</b>		<b>4,492,104</b>	900,370
Other comprehensive income		-	-
		<hr/>	<hr/>
<b>Total comprehensive income for the year</b>		<b>4,492,104</b>	900,370
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 12 to 21 form part of the financial statements.

# Chanelle Medical Unlimited Company

## Statement of financial position as at 30 April 2025

	Note	2025 €	2024 €
<b>Current assets</b>			
Inventories	11	9,678,463	2,249,341
Debtors	12	71,354,410	59,269,703
Cash at bank and in hand		1,874,030	1,666,859
		<u>82,906,903</u>	<u>63,185,903</u>
<b>Creditors: amounts falling due within one year</b>	13	<b>(71,000,624)</b>	<b>(55,771,728)</b>
		<u>11,906,279</u>	<u>7,414,175</u>
<b>Net current assets</b>			
		<u>11,906,279</u>	<u>7,414,175</u>
<b>Net assets</b>			
		<u><u>11,906,279</u></u>	<u><u>7,414,175</u></u>
<b>Capital and reserves</b>			
Called up share capital presented as equity	15	1,397	1,397
Profit and loss account		11,904,882	7,412,778
		<u>11,906,279</u>	<u>7,414,175</u>
<b>Shareholder's equity</b>			
		<u><u>11,906,279</u></u>	<u><u>7,414,175</u></u>

The notes on pages 12 to 21 form part of the financial statements.

On behalf of the board



Aubrey Mulveen  
Director



Angelo Gatto  
Director

# Chanelle Medical Unlimited Company

## Statement of changes in equity for the year ended 30 April 2025

	Share capital €	Profit and loss account €	Total equity €
<b>Balance at 1 May 2023</b>	1,397	36,512,408	36,513,805
<i>Total comprehensive income</i>			
Profit for the financial year	-	900,370	900,370
<i>Transactions with shareholders, recorded directly in equity</i>			
Dividends declared and paid	-	(30,000,000)	(30,000,000)
	<hr/>	<hr/>	<hr/>
<b>Balance at 30 April 2024</b>	1,397	7,412,778	7,414,175
<i>Total comprehensive income</i>			
Profit for the financial year	-	4,492,104	4,492,104
	<hr/>	<hr/>	<hr/>
<b>Balance at 30 April 2025</b>	<b>1,397</b>	<b>11,904,882</b>	<b>11,906,279</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 12 to 21 form part of the financial statements.

# Chanelle Medical Unlimited Company

## Notes

*to the financial statements*

### 1 General information

Chanelle Medical Unlimited Company (“the company”) is a private unlimited having a share capital company incorporated, domiciled and registered in Ireland. The registered number of the company is 96943 and the address of its registered office is IDA Industrial Estate, Dublin Road, Loughrea, Co. Galway.

### 2 Summary of significant accounting policies

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (“FRS 102”) and the Companies Act 2014. The presentation currency of these financial statements is Euro.

The company’s ultimate parent undertaking, Herriot Pharma UK Topco Limited, includes the company in its consolidated financial statements. The consolidated financial statements of Herriot Pharma UK Topco Limited, are prepared in accordance FRS 102 and are available to the public and may be obtained from [Companies House - GOV.UK](https://www.companieshouse.gov.uk). In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash flow statement and related notes; and
- Key management personnel compensation.

As the consolidated financial statements of Herriot Pharma UK Topco Limited include the equivalent disclosures, the company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Schedule 3, paragraph 38 of the Companies Act 2014.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 3.

#### Measurement convention

The financial statements are prepared on the historical cost basis.

#### Going concern

The financial statements have been prepared on a going concern basis. No material uncertainty exists which may cast significant doubt on the company’s ability to continue as a going concern.

# Chanelle Medical Unlimited Company

## Notes *(continued)*

### 2 Summary of significant accounting policies *(continued)*

#### **Classification of financial instruments issued by the company**

In accordance with FRS 102.22, financial instruments issued by the company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

#### **Revenue**

Revenue represents the fair value of goods, exclusive of value added tax, delivered to customers in the accounting period and is stated after deduction of rebates. Goods are deemed to have been delivered to customers, when the customer has access to the significant benefits inherent in the goods and exposure to the risks inherent in those benefits.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods, the amount of turnover can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### **Foreign currencies**

Transactions in foreign currencies are translated to the company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the date the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

#### **Research and development**

Expenditure on research activities is recognised in the profit and loss account as an expense as incurred.

#### **Government grants**

Grants relating to revenue are recognised in the profit and loss on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate. Amounts recognised in the profit and loss are presented under the heading "other operating income".

# Chanelle Medical Unlimited Company

## Notes *(continued)*

### **2 Summary of significant accounting policies *(continued)***

#### **Interest receivable and payable**

Interest payable and similar expenses comprises interest payable on financial liabilities and foreign exchange losses. Interest payable is recognised in profit or loss as it accrues, using the effective interest rate method. Foreign exchange is reported on a net basis.

#### **Inventories**

Inventories comprise consumable items and goods held for resale. Inventories are stated at the lower of cost and net realisable value. Cost is calculated on a first in, first out basis and includes invoice price, import duties and transportation costs. In the case of manufactured stocks and work in progress, cost is defined as the aggregate cost of raw material, direct labour and the attributable proportion of direct production overheads based on a normal level of activity. Net realisable value comprises the actual or estimated selling price less all further costs to completion or to be incurred in marketing, selling and distribution.

At the end of each reporting period inventories are assessed for impairment. If an item of inventory is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the profit and loss account. Where a reversal of the impairment is recognised the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the profit and loss account.

#### **Basic financial instruments**

##### ***Trade and other debtors/creditors***

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade and other 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 interest for a similar debt instrument.

##### ***Investment in subsidiaries***

Investments in subsidiaries are carried at cost less impairment.

##### ***Cash and cash equivalents***

Cash and cash equivalents comprise cash balances and demand deposits.

#### **Provisions**

Where the company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

# Chanelle Medical Unlimited Company

## Notes *(continued)*

### 2 Summary of significant accounting policies *(continued)*

#### **Employee benefits**

The company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

##### ***(i) Short term benefits***

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

##### ***(ii) Annual bonus plans***

The company recognises a provision and an expense for bonuses where the company has a legal or constructive obligation as a result of past events and a reliable estimate can be made.

##### ***(iii) Defined contribution pension plan***

The company operates a defined contribution plan. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate fund. Under defined contribution plans, the company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

#### **Taxation**

Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

##### ***(i) Current tax***

Current tax is calculated on the profits of the period. Current tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date.

##### ***(ii) Deferred tax***

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Current or deferred taxation assets and liabilities are not discounted.

# Chanelle Medical Unlimited Company

## Notes (continued)

### 3 Significant accounting judgements and key sources of estimation uncertainty

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Judgements and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### (a) Inventory provisioning

The company is involved in the pharmaceutical sector and has large volumes of inventory on hand. As a result, it is necessary to consider the recoverability of the cost of inventory and the associated provisioning required. When calculating the inventory provision, management considers the stage of completion, the estimated realisable value and the estimated costs to completion. The level of provision required is reviewed on an on-going basis.

#### (b) Providing for doubtful debts

The company makes an estimate of the recoverable value of trade and other debtors. The company uses estimates based on historical experience in determining the level of debts, which the company believes, will not be collected. These estimates include such factors as the current credit rating of the debtor, the ageing profile of debtors and historical experience. Any significant reduction in the level of customers that default on payments or other significant improvements that resulted in a reduction in the level of bad debt provision would have a positive impact on the operating results. The level of provision required is reviewed on an on-going basis.

### 4 Revenue

The revenue for the financial year has been derived from the sale of pharmaceutical goods to the human health market:

	2025 €	2024 €
<i>Sale of goods by geographical market:</i>		
Republic of Ireland	<b>3,241,236</b>	2,829,499
Europe	<b>39,915,189</b>	41,515,718
Rest of the world	<b>8,253,161</b>	7,149,757
	<hr/>	<hr/>
	<b>51,409,586</b>	51,494,974
	<hr/> <hr/>	<hr/> <hr/>

# Chanelle Medical Unlimited Company

## Notes (continued)

<b>5 Other operating income</b>	<b>2025</b>	2024
	€	€
Research and development tax credit	<b>135,279</b>	365,000
Consultancy	<b>64,475</b>	68,850
Product storage (refunds)/fees	<b>(1,568)</b>	10,280
Other income	-	52,648
	<hr/>	<hr/>
	<b>198,186</b>	496,778
	<hr/> <hr/>	<hr/> <hr/>

<b>6 Expenses and auditor's remuneration</b>	<b>2025</b>	2024
	€	€
<i>Included in profit are the following:</i>		
Research and development		
- expenditure in current financial year	<b>2,100,905</b>	2,741,041
- research and development tax credit	<b>(135,279)</b>	(365,000)
	<hr/>	<hr/>

Auditor's remuneration and tax advisory fees have been borne by another group company in both the current and prior year.

## 7 Staff numbers and costs

The average number of persons employed by the company (including directors) during the financial year, analysed by category, was as follows:

	<b>2025</b>	2024
	Number	Number
Administration	<b>31</b>	28
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	<b>2025</b>	2024
	€	€
Wages and salaries	<b>2,250,602</b>	1,562,654
Social welfare costs	<b>347,954</b>	301,763
Pension costs	<b>50,194</b>	22,506
Recharges to fellow group undertaking	<b>(47,735)</b>	(53,027)
Recharges from fellow group undertaking	<b>27,209</b>	788,832
	<hr/>	<hr/>
	<b>2,628,224</b>	2,622,728
	<hr/> <hr/>	<hr/> <hr/>

# Chanelle Medical Unlimited Company

Notes (continued)

## 8 Directors' remuneration and transactions

Directors' remuneration is paid by a fellow group company. Management has estimated that €187,992 of the total group's directors' remuneration could apply to the company (2024: €286,688).

<b>9 Interest payable and similar expenses</b>	<b>2025</b>	<b>2024</b>
	<b>€</b>	<b>€</b>
Interest payable on financial liabilities at amortised cost	<b>5,215</b>	36,393
Net foreign exchange losses	<b>20,319</b>	30,962
	<hr/> <b>25,534</b> <hr/>	<hr/> 67,355 <hr/>
<b>10 Tax on profit</b>	<b>2025</b>	<b>2024</b>
	<b>€</b>	<b>€</b>
<i>Current tax:</i>		
Current tax on income for the year	<b>252,125</b>	84,386
Adjustments in respect of prior periods	<b>(5,886)</b>	(689)
	<hr/> <b>246,239</b> <hr/>	<hr/> 83,697 <hr/>
<b>Reconciliation of effective tax rate</b>	<b>2025</b>	<b>2024</b>
	<b>€</b>	<b>€</b>
Profit before tax	<b>4,738,343</b>	984,067
	<hr/> <b>592,293</b> <hr/>	<hr/> 123,008 <hr/>
Tax using the Irish corporation tax rate – 12.5%		
<i>Effects of:</i>		
Group relief	<b>(353,626)</b>	-
Non-deductible expenditure	<b>864</b>	5,712
Income not taxable	<b>(16,910)</b>	(44,979)
Income tax withheld	<b>803</b>	-
Other	<b>28,701</b>	645
Adjustments in respect of prior periods	<b>(5,886)</b>	(689)
	<hr/> <b>246,239</b> <hr/>	<hr/> 83,697 <hr/>
<b>Total tax expense included in profit or loss</b>	<b>246,239</b>	<b>83,697</b>

# Chanelle Medical Unlimited Company

## Notes (continued)

<b>11 Inventories</b>	<b>2025</b>	2024
	€	€
Finished goods and goods for resale	<b>3,047,419</b>	2,249,341
Work in progress	<b>1,576,182</b>	-
Raw materials	<b>3,067,517</b>	-
Packaging	<b>1,987,345</b>	-
	<hr/>	<hr/>
	<b>9,678,463</b>	2,249,341
	<hr/> <hr/>	<hr/> <hr/>

The replacement cost of stock did not differ significantly from the figures shown. The write-down of inventories to net realisable value, which is included in cost of sales, amounted to €499,592 (2024: €Nil).

<b>12 Debtors: amounts falling due within one year</b>	<b>2025</b>	2024
	€	€
Trade debtors	<b>11,387,253</b>	10,146,102
Prepayments and other debtors	<b>143,082</b>	248,707
Amounts owed by group undertakings (note 17)	<b>59,824,075</b>	48,681,851
R&D tax credit receivable	-	30,250
Corporation tax recoverable	-	160,615
Withholding tax	-	2,178
	<hr/>	<hr/>
	<b>71,354,410</b>	59,269,703
	<hr/> <hr/>	<hr/> <hr/>

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

<b>13 Creditors: amounts falling due within one year</b>	<b>2025</b>	2024
	€	€
Trade creditors	<b>368,505</b>	444,273
Accruals	<b>5,413,809</b>	3,163,704
Amounts owed to group undertakings (note 17)	<b>35,026,415</b>	22,065,500
Loan note payable to group undertaking (note 17)	<b>30,000,000</b>	30,000,000
Corporation tax payable	<b>173,625</b>	-
PAYE/PRSI	<b>18,270</b>	98,251
	<hr/>	<hr/>
	<b>71,000,624</b>	55,771,728
	<hr/> <hr/>	<hr/> <hr/>

Trade and other creditors are payable at various dates in the next 2 months in accordance with the suppliers usual and customary terms. Amounts owed to group undertakings and the loan advanced by a fellow group undertaking are interest free, unsecured and payable on demand.

# Chanelle Medical Unlimited Company

Notes (continued)

## 14 Pension costs – defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Pension costs amounted to €50,194 (2024: €22,506).

15 Share capital	2025 €	2024 €
<b>Authorised</b>		
100,000 ordinary shares of €1.269738 each	126,974	126,974
100,000 A ordinary shares of €1.269738 each	126,974	126,974
	<hr/>	<hr/>
	253,948	253,948
	<hr/>	<hr/>
<b>Allotted, called up and fully paid</b>		
1,001 ordinary shares of €1.269738 each	1,270	1,270
100 A ordinary shares of €1.269738 each	127	127
	<hr/>	<hr/>
	1,397	1,397
	<hr/>	<hr/>

The holders of the ordinary shares shall be entitled to receive notice of and to attend, speak and vote at general meetings of the company and shall be entitled to one vote per share. The company may at any time and from time to time declare a dividend in respect of either class of share without any dividend being declared on the other class of share. On winding up the assets available for distribution among members shall be paid in priority to the holders of the A ordinary shares up to the value paid or credited as paid up thereon, and then to the holders of the ordinary shares.

## 16 Capital commitments and contingencies

### Capital commitments

The company had no capital or other commitments as at 30 April 2025 (2024: €Nil).

### Contingencies

The company is a guarantor in respect of the group's banking facility. Pursuant to a debenture, the group's bankers have a charge over the shares and related rights of the company, and all monies held by the company, together with the benefit of all licences, consents and agreements held by the company.

# Chanelle Medical Unlimited Company

## Notes (continued)

### 17 Related party transactions

The company has availed of the exemption from disclosing transactions with fellow group undertakings which are wholly owned with the group.

Details of balances with fellow group undertakings as at 30 April 2025 were as follows:

	Debtors outstanding		Creditors outstanding	
	2025	2024	2025	2024
	€	€	€	€
Chanelle Veterinary Limited	46,457,443	36,382,788	-	-
Realoch Pharma Limited	12,752,475	12,299,063	-	-
Chanelle Vet UK Limited	613,657	-	-	(459,046)
Chanelle Portugal, Unipessoal Lda	500	-	-	-
Chanelle Holdco 1 Limited	-	-	(30,000,000)	(30,000,000)
Chanelle Pharmaceuticals Manufacturing Limited	-	-	(33,275,256)	(20,181,943)
Chanelle Pet Limited	-	-	(1,611,400)	(1,251,507)
Michael Burke & Partner Co.	-	-	(139,759)	(173,004)
	<u>59,824,075</u>	<u>48,681,851</u>	<u>(65,026,415)</u>	<u>(52,065,500)</u>

### 18 Ultimate holding undertaking and undertaking of large group

The company's immediate parent undertaking is Chanelle Holdco 1 Limited, IDA Industrial Estate, Dublin Road, Loughrea, Co. Galway. The company's ultimate parent undertaking is Herriot Pharma UK Topco Limited, 30 Broadwick Street, London W1F 8JB, United Kingdom.

The largest and smallest group in which the results of the company are consolidated is that headed by Herriot Pharma UK Topco Limited, incorporated in England & Wales, with a registered office address at 30 Broadwick Street, London W1F 8JB, United Kingdom.

### 19 Post balance sheet events

There were no material post balance sheet events which would require adjustment to or disclosure in the financial statements.

### 20 Approval of financial statements

The financial statements were approved and authorised for issue by the board of directors on 17th October 2025.