

The Chartered Tax Adviser Examination

May 2026

Application and Professional Skills

Taxation of Larger Companies and Groups

Pre-seen information

You may print this copy of the pre-seen information but you will not be permitted to take this into the test centre. It will be contained in the final Exhibit in each question.

Pre-seen information

Client name

Nuevo Pharmaceuticals plc and subsidiary companies.

Parent company

Nuevo Pharmaceuticals plc

Date of incorporation

1 June 1968

Country of incorporation and tax residence

UK

Ownership

Listed on London Stock Exchange. No shareholder holds more than 5% of the shares.

Board members

Lord Nottsford (Chair)
Joseph Barnwell (Chief Executive Officer)
Lynne Roberston (Chief Financial Officer)
Stephanie Loughlin (Chief Scientific Officer)
Riva Bestwood (Head of Human Resources)
Pedro Velasquez (Non-executive director)
Danielle McAndrews (Non-executive director)
Chandra Badawi (Non-executive director)

Total number of worldwide employees in the Nuevo Pharmaceuticals group: 75,000.

Background and history

Windsor Chemical Products Ltd was founded in the late 1940s to supply chemicals to industry in the UK. In 1966, it merged with a Spanish company, Nuevo Industrias Spa of Valencia, and shortly thereafter consolidated the combined head office functions into a single site in Lincolnshire. In 1968 a new holding company, Nuevo Chemicals plc, was formed which immediately floated on the London Stock Exchange.

The group's business has evolved over the years from being a manufacturer and supplier of industrial chemicals to being a creator, manufacturer and supplier of pharmaceuticals for the treatment of a wide variety of medical conditions. It changed its name to Nuevo Pharmaceuticals plc in 1971. The group has grown by acquisition, often of pharmaceutical-based university spin-offs, as well as by the creation of new businesses based on successful internal research projects. In recent years, the group has expanded into the provision of private healthcare and owns and operates a number of private hospitals in the UK.

The head office, a research and development operation and several manufacturing sites are situated in the UK. All the group's intellectual property is held in the UK.

In addition, it has manufacturing subsidiaries in several strategic global locations which supply pharmaceuticals to health care providers in North America, Europe, Australia, Asia and South America. It is group policy to repatriate all available overseas profits to the UK.

Nuevo Pharmaceuticals plc developed a vaccine against a new influenza strain in 2023. Since then, it has manufactured and distributed the vaccine under the trade name Respriaid. The product has undergone continuous refinement and has been distributed mainly to those countries that have well-resourced health systems.

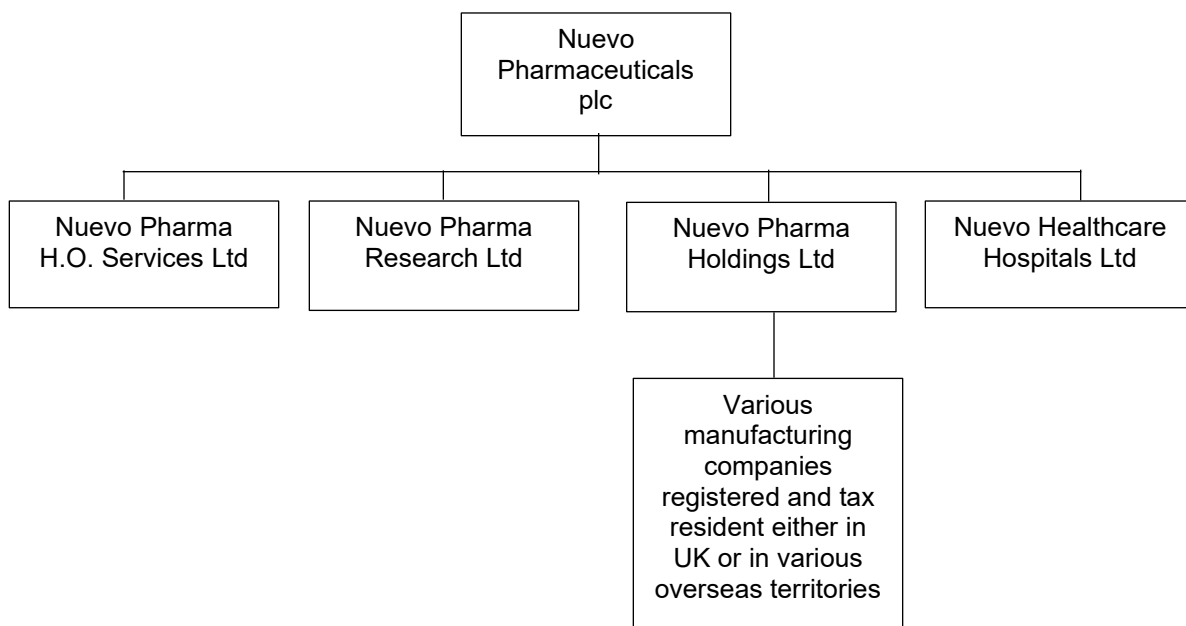
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Continuation

Group structure

All subsidiary companies are 100% owned.

All named subsidiaries on the diagram are UK registered and UK tax resident.



Financial information for Nuevo Pharmaceuticals plc group

Income statement for the year ended 31 December

	<u>2025</u>	<u>2024</u>
	£million	£million
Revenue	475	464
Cost of sales	<u>(120)</u>	<u>(124)</u>
Gross profit/(loss)	355	340
Administrative expenses	<u>(92)</u>	<u>(86)</u>
Profit before tax	263	254
Tax	<u>(65)</u>	<u>(61)</u>
Profit after tax	<u>198</u>	<u>193</u>

Balance Sheet as at 31 December

	<u>2025</u>	<u>2024</u>
	£million	£million
Fixed assets	245	276
Cash at bank and debtors	167	87
(Liabilities)	<u>(73)</u>	<u>(69)</u>
Net assets	<u>339</u>	<u>294</u>
Equity:		
Share capital	130	130
Reserves	<u>209</u>	<u>164</u>
Total equity	<u>339</u>	<u>294</u>

Continued

Continuation

Corporate Tax

Company tax returns for all territories have been or will be submitted on time for all periods to 31 December 2025.

There are no ongoing disputes with any tax authorities.

There are no unrelieved tax losses anywhere in the group.

VAT

Nuevo Pharmaceutical Manufacturing Ltd (a subsidiary of Nueva Pharma Holdings Ltd) is the representative member of a group VAT registration in the UK, which includes all UK resident companies. The group is partially exempt.