

*Companies House*

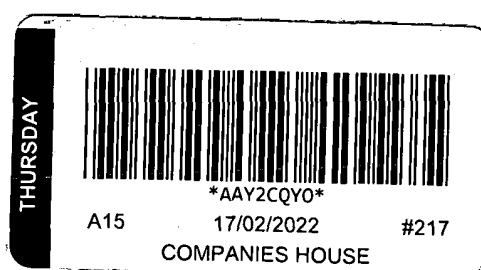
Company Registration No. 2658906

England and Wales

**ASPAR PHARMACEUTICALS LIMITED**

**DIRECTORS' REPORT AND  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
30 SEPTEMBER 2021**



# ASPAR PHARMACEUTICALS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	T.E. Prudhoe Mrs S.J. Prudhoe J.E. Prudhoe
<b>Secretary</b>	J.E. Prudhoe
<b>Company number</b>	2658906
<b>Registered office</b>	Albany House Acrewood Way St Albans Hertfordshire AL4 0JY
<b>Business address</b>	Albany House Acrewood Way St Albans Hertfordshire AL4 0JY
<b>Auditors</b>	David Morgan & Co Limited 8 Peterborough Road Harrow HA1 2BQ

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# **ASPAR PHARMACEUTICALS LIMITED**

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# ASPAR PHARMACEUTICALS LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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The directors present their strategic report on the company for the year ended 30 September 2021.

### Review of the business

The principal activity of the company continued to be that of manufacturing, packaging and distribution of pharmaceutical products.

The results for the year continued to benefit from worldwide upheaval caused by the Covid-19 infection. The domestic market for analgesics continued to be robust throughout the year and growth has continued into the new financial year. Turnover increased year on year by 7.5% and gross margins rose as well to 55.5% from 47.9% in 2020, as company was able to increase its prices due to increased demand.

As with many businesses of our size, the business environment in which we operate continues to be challenging. The generic analgesic market in the UK is highly competitive and regulated and competition from both within and without the UK is strong. With these risks and uncertainties in mind we are aware that any plans for the future development of the business may be subject to unforeseen future events outside of our control. The company is increasingly liquid in its available resources and assets. It has been able to stop factoring its sales invoices and has returned the credit control function in-house. A good deal of its client base are established FTSE companies and payment terms are generally met on time. Debtor days have been very consistent year on year and the profits made in 2021 are therefore reflected in healthy bank balances at the year end. Liquidity ratios have increased from 1.46 to 2.78 over the course of the financial year. The company is highly regulated by the MHRA and constant vigilance must be maintained to ensure that the company's quality control is compliant and adaptable to changing regulatory environments. Competition both domestically and from abroad is always a factor in determining price as is sourcing its supply of raw materials and ensuring that the company's plant and equipment is kept up to date and functioning properly, ensuring outputs of finished product is kept to a high regulatory standard.

The company is in a strong position at the year end with net assets of £12.9M (2020 - £10.7M). The company continues to invest in new plant and machinery for the factory and the directors are confident that margins will continue to improve and turnover continue to rise in the coming year.

We consider our key financial performance indicators are those that communicate the financial performance of the company as a whole, these being turnover, gross profit, net profit before tax and return on capital employed. The turnover of the company was £15.8M in 2021, (£14.7M - 2020) an increase of 7.5% over the year. Gross margins have risen in the year from 48% in 2020 to 55% in 2021. Net profit before tax amounted to £3.3M in 2021, as against a profit of £1.6M in 2020, a rise of £1.7M. The return on capital employed reflected the increase in capital expenditure on plant and machinery and huge increases in company profits and rose over the course of the year from 11.87% in 2020 to 24.07% in 2021. Return on capital employed is calculated as profit after tax divided by total net assets.

By order of the board

T.E. Prudhoe  
Director

20 January 2022



# **ASPAR PHARMACEUTICALS LIMITED**

## **DIRECTORS' REPORT**

### ***FOR THE YEAR ENDED 30 SEPTEMBER 2021***

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The directors present their report and financial statements for the year ended 30 September 2021.

#### **Future developments**

The disclosure of future developments is set out in the Strategic Report on Page 1.

#### **Results and dividends**

The results for the year are set out on page 7.

No interim ordinary dividend was paid. -. The directors do not recommend payment of a final dividend.

#### **Directors**

The following directors have held office since 1 October 2020:

T.E. Prudhoe

Mrs S.J. Prudhoe

J.E. Prudhoe

#### **Disabled persons**

The company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

#### **Taxation status**

The company was a close company within the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

#### **Auditors**

The auditors, David Morgan & Co Limited, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

# ASPAR PHARMACEUTICALS LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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### Directors' responsibilities

The directors are responsible for preparing the Strategic Report and 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 prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and ROI", and applicable law (United Kingdom Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied they give a true and fair view of the state of affairs of the company and of the profit and loss of the company in 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 accounting standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume 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 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 company's website. legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation into the jurisdictions.

### Statement of disclosure to auditors

The directors at the date of approval of this report each confirm that:

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

T.E. Prudhoe

Director

20 January 2022



# **ASPAR PHARMACEUTICALS LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF ASPAR PHARMACEUTICALS LIMITED**

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#### **Report on the financial statements**

##### **Opinion**

We have audited the financial statements of Aspar Pharmaceuticals Limited for the year ended 30 September 2021 which comprise the statutory profit and loss, balance sheet, cash flow and statement of changes in equity and notes to the financial statements, including a summary of the significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The financial Reporting Standard applicable in the UK and ROI.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

##### **Basis for opinion**

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

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate;
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

##### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Strategic Report and Directors' Report, other than in the financial statements and our auditor's report thereon.

# **ASPAR PHARMACEUTICALS LIMITED**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

### **TO THE MEMBERS OF ASPAR PHARMACEUTICALS LIMITED**

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the 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.

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

In the light of our 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 and 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.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

#### **Responsibilities for the financial statements and the audit**

##### **Our responsibilities and those of the Directors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 - 3, 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 to do so.



# **ASPAR PHARMACEUTICALS LIMITED**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

### **TO THE MEMBERS OF ASPAR PHARMACEUTICALS LIMITED**

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#### **Auditors responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit is 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 on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the financial Reporting Councils website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/description=of-auditors-responsibilities-for-audit.aspx>. This description forms part of our audit 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.



**Simon Byrne (Senior Statutory Auditor)**  
for and on behalf of David Morgan & Co Limited

20 January 2022

**Chartered Accountants**  
**Statutory Auditor**

8 Peterborough Road  
Harrow  
HA1 2BQ

# ASPAR PHARMACEUTICALS LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	2021 £	2020 £
Turnover	5	15,788,367	14,772,130
Cost of sales		(7,075,138)	(7,696,979)
Gross profit		8,713,229	7,075,151
Administrative expenses		(5,512,852)	(5,457,009)
Operating profit	6	3,200,377	1,618,142
Investment income	7	65,000	-
Interest payable and similar charges	8	(52,895)	(61,838)
Profit on ordinary activities before taxation		3,212,482	1,556,304
Tax on profit on ordinary activities	9	(630,548)	(329,257)
Profit for the year	19	2,581,934	1,227,047

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

# ASPAR PHARMACEUTICALS LIMITED

## BALANCE SHEET

AS AT 30 SEPTEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Property, plant & equipment	10	9,522,165		9,538,961	
Fixed Asset Investment	11	-		75,000	
		<u>9,522,165</u>		<u>9,613,961</u>	
<b>Current assets</b>					
Inventories	12	2,749,249		1,707,976	
Trade and other receivables	13	2,990,192		2,639,807	
Deferred tax asset	13	-		63,900	
Cash and cash equivalents		1,445,148		227,250	
		<u>7,184,589</u>		<u>4,638,933</u>	
<b>Creditors: amounts falling due within one year</b>	14	(3,151,495)		(3,128,463)	
<b>Net current assets</b>		<u>4,033,094</u>		<u>1,510,470</u>	
<b>Total assets less current liabilities</b>		13,555,259		11,124,431	
<b>Creditors: amounts falling due after more than one year</b>	15	(617,519)		(785,737)	
Deferred tax liability		(17,112)		-	
		<u>12,920,628</u>		<u>10,338,694</u>	
<b>Capital and reserves</b>					
Called up share capital	18	45,100		45,100	
Retained earnings	19	12,875,528		10,293,594	
<b>Shareholders' funds</b>		<u>12,920,628</u>		<u>10,338,694</u>	

Approved by the Board and authorised for issue on 20 January 2022

T.E. Prudhoe  
Director

J.E. Prudhoe  
Director

Company Registration No. 2658906

# ASPAR PHARMACEUTICALS LIMITED

## STATEMENT OF CHANGES IN EQUITY

*FOR THE YEAR ENDED 30 SEPTEMBER 2021*

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	Called-up share capital	Retained earnings	Total equity
Balance as at 1 October 2019	45,100	9,066,547	9,111,647
Profit for the financial year		1,227,047	1,227,047
Total comprehensive income for the year		<u>1,227,047</u>	<u>1,227,047</u>
Balance as at 30 September 2020	<u>45,100</u>	<u>10,293,594</u>	<u>10,338,694</u>
Balance as at 1 October 2020	45,100	10,293,594	10,338,694
Profit for the financial year		2,581,934	2,581,934
Total comprehensive income for the year		<u>2,581,934</u>	<u>2,581,934</u>
Balances as at 30 September 2021	<u>45,100</u>	<u>12,875,528</u>	<u>12,920,628</u>

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# ASPAR PHARMACEUTICALS LIMITED

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	2021	2020
	£	£
<b>Cash flow from operating activities</b>	2,420,710	1,603,669
Interest paid	(52,895)	(61,838)
Taxation	(258,511)	(16,068)
Dividends received	65,000	-
<b>Net cash flow from operating activities</b>	2,174,304	1,525,763
<b>Cash flow from investing activities</b>		
Payments to acquire tangible assets	(814,229)	(586,884)
Receipts from sales of tangible assets	16,500	(7,707)
<b>Net Cash flow from investing activities</b>	(797,729)	(594,591)
<b>Cash flow from financing activities</b>		
Repayment of long term bank loan	(158,677)	(149,138)
<b>Net cash flow from financing activities</b>	(158,677)	(149,138)
<b>Increase in cash in the year</b>	1,217,898	782,034
<b>Cash and cash equivalents at the beginning of the year</b>	227,250	(554,784)
<b>Cash and cash equivalents at the end of the year</b>	1,445,148	227,250
<b>Cash and cash equivalents consists of:</b>		
Cash at bank and in hand	1,445,148	227,250
<b>Cash and cash equivalents at 30 September 2021</b>	1,445,148	227,250

# ASPAR PHARMACEUTICALS LIMITED

## NOTES TO THE CASH FLOW STATEMENT

**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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<b>1CF Reconciliation of profit to cash flow from operating activities</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Operating profit	3,200,377	1,618,142
Depreciation of tangible assets	826,306	816,456
(Profit)/loss on disposal of tangible assets	(11,783)	7,707
Loss on disposal of intangible assets	75,000	-
(Increase)/decrease in stocks	(1,041,273)	172,111
Increase in debtors	(350,385)	(491,469)
Decrease in creditors within one year	(277,532)	(519,278)
	<hr/>	<hr/>
<b>Net cash flow from operating activities</b>	<b>2,420,710</b>	<b>1,603,669</b>
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# **ASPAR PHARMACEUTICALS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

***FOR THE YEAR ENDED 30 SEPTEMBER 2021***

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### **1 General Information**

Aspar Pharmaceuticals Limited manufactures analgesics for the wholesale and retail trade from its plant in St Albans and sells primarily within the UK.

It is a private limited company, limited by shares, domiciled in England and Wales, registration number 02658906.

Registered address:

Albany House  
Acrewood Way  
St Albans  
Hertfordshire  
AL4 0JY

The Presentation currency is £ sterling.

### **2 Statement of Compliance**

The financial statements of Aspar Pharmaceuticals Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard FRS 102, "the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ("FRS102") and the Companies Act 2006.

# ASPAR PHARMACEUTICALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2021

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#### 3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements.

##### 3.1 Accounting convention

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of land and buildings and certain financial assets and liabilities measured at fair value through the profit and loss account. The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements are disclosed in note 4.

##### 3.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

##### 3.3 Turnover

Turnover represents amounts receivable for goods and services rendered net of VAT and trade discounts. The company recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer (b) the company retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the entity and (e) when the specific criteria relating to each of the company's sales channels have been met, as described below.

Sale of goods - wholesale: The company manufactures a range of analgesics in the wholesale market. Sales of goods are recognised on delivery to the wholesaler/retailer, when the wholesaler/retailer has full discretion over the channel and price to sell the product and there is no unfulfilled obligation that could affect the wholesaler/retailer's acceptance of the product.

##### 3.4 Tangible fixed assets and depreciation

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

i) Land & buildings include freehold and leasehold factories. Land and buildings are stated at cost less accumulated depreciation and accumulated impairment losses.

ii) Plant and machinery and fixtures and fittings are stated at cost less accumulated depreciation and accumulated impairment losses.

Land and buildings Freehold	2% on cost (buildings only)
Plant and machinery	10% on cost
Fixtures, fittings & equipment	20% on cost
Motor vehicles	20% on cost



# ASPAR PHARMACEUTICALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

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### 3 Accounting policies

(continued)

#### 3.5 Investments

##### i) Investment in subsidiary company

Investment in subsidiary company is held at cost less accumulated impairment losses.

#### 3.6 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Inventories are recognised as an expense in the period in which the related revenues is recognised. Cost is determined on the FIFO Method. Cost includes the purchase price, including taxes and duties and transport and handling directly attributable to bringing the inventory to its present location and condition. The cost of manufactured finished goods and work in progress, raw materials, direct labour and other direct costs and related production overheads. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

#### 3.7 Pensions

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 when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

#### 3.8 Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. 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 respectively.

##### i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

##### 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 recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference,

# ASPAR PHARMACEUTICALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2021

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#### 3 Accounting policies

(continued)

##### 3.9 Foreign currency translation

###### i) Functional and presentation currency

The company's functional and presentation currency is the pound sterling.

###### ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account except where deferred in other comprehensive income as qualifying cash flow hedges.

##### 3.10 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a medium sized group. However, due to the immateriality of the subsidiary in comparison to its parent company the directors have decided not to consolidate the financial statements, under exemption s405 of the CA2006.

##### 3.11 Financial Instruments - Assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

##### 3.12 Financial Instruments - liabilities

Basic financial liabilities, including trade and other payables, bank loans, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less.

# ASPAR PHARMACEUTICALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 4 Critical accounting judgements and estimation uncertainty

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

#### Critical accounting estimates and assumptions

The company 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 addressed below.

#### i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

#### ii) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

### 5 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

6	Operating profit	2021 £	2020 £
	Operating profit is stated after charging:		
	Depreciation of tangible assets	826,306	816,456
	Loss on disposal of tangible assets	-	7,707
	Loss on disposal of intangible assets	75,000	-
	Auditors' remuneration (including expenses and benefits in kind)	20,125	20,263
	and after crediting:		
	Profit on disposal of tangible assets	(11,783)	-
	Profit on foreign exchange transactions	(44,348)	(26,560)

# ASPAR PHARMACEUTICALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

<b>7</b>	<b>Investment income</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	Income from shares in group undertakings	65,000	-
		<u>65,000</u>	<u>-</u>
<b>8</b>	<b>Interest payable</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	On loans repayable after five years	52,895	61,838
		<u>52,895</u>	<u>61,838</u>
<b>9</b>	<b>Taxation</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	<b>Domestic current year tax</b>		
	U.K. corporation tax	551,000	259,975
	Adjustment for prior years	(1,464)	9,559
		<u>549,536</u>	<u>269,534</u>
	<b>Current tax charge</b>		
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	81,012	59,723
		<u>81,012</u>	<u>59,723</u>
		<u>630,548</u>	<u>329,257</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	3,212,482	1,556,304
		<u>3,212,482</u>	<u>1,556,304</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2020 - 19.00%)	610,372	295,698
		<u>610,372</u>	<u>295,698</u>
	Effects of:		
	Depreciation add back	156,999	156,591
	Capital allowances	(216,370)	(192,314)
	Other tax adjustments	(1,465)	9,559
		<u>(60,836)</u>	<u>(26,164)</u>
	<b>Current tax charge</b>	<u>549,536</u>	<u>269,534</u>

# ASPAR PHARMACEUTICALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2021

#### 10 Tangible fixed assets

	Land and buildings Freehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 October 2020	6,915,286	11,827,454	1,673,577	130,051	20,546,368
Additions	-	704,402	65,534	44,291	814,227
Disposals	-	-	-	(33,980)	(33,980)
At 30 September 2021	6,915,286	12,531,856	1,739,111	140,362	21,326,615
<b>Depreciation</b>					
At 1 October 2020	593,550	8,693,971	1,604,206	115,680	11,007,407
On disposals	-	-	-	(29,263)	(29,263)
Charge for the year	118,610	638,451	55,609	13,636	826,306
At 30 September 2021	712,160	9,332,422	1,659,815	100,053	11,804,450
<b>Net book value</b>					
At 30 September 2021	6,203,126	3,199,434	79,296	40,309	9,522,165
At 30 September 2020	6,321,736	3,133,483	69,371	14,371	9,538,961

The property is subject to a fixed and floating charge from Barclays Bank dated 28 July 2016.

# ASPAR PHARMACEUTICALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 11 Fixed asset investments

	Shares in subsidiary undertakings £
<b>Cost</b>	
At 1 October 2020	75,000
Disposals	(75,000)
At 30 September 2021	-
<b>Net book value</b>	
At 30 September 2021	-
At 30 September 2020	75,000

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
<b>Subsidiary undertakings</b>			
Sestri (Sales) Limited	United Kingdom	Ordinary	100.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Principal activity	Capital and reserves 2021 £	Profit/(loss) for the year 2021 £
Sestri (Sales) Limited	Distributing pharmaceuticals	-	-

### 12 Stocks and work in progress

	2021 £	2020 £
Raw materials and consumables	1,687,512	1,196,787
Work in progress	107,319	38,057
Finished goods and goods for resale	954,418	473,132
	<u>2,749,249</u>	<u>1,707,976</u>

# ASPAR PHARMACEUTICALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

13 Debtors	2021 £	2020 £
Trade debtors	2,877,812	2,457,669
Other debtors	-	12,770
Prepayments and accrued income	112,380	169,368
Deferred tax asset (see note 16)	-	63,900
	<u>2,990,192</u>	<u>2,703,707</u>

14 Creditors: amounts falling due within one year	2021 £	2020 £
Bank loans and overdrafts	158,677	149,138
Trade creditors	636,359	1,181,562
Corporation tax	551,000	259,975
Other taxes and social security costs	475,626	423,601
Directors' current accounts	600,000	1,000,000
Accruals and deferred income	729,833	114,187
	<u>3,151,495</u>	<u>3,128,463</u>

# ASPAR PHARMACEUTICALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2021

15 Creditors: amounts falling due after more than one year	2021 £	2020 £
Bank loans	617,519	785,737
<b>Analysis of loans</b>		
Wholly repayable within five years	776,196	934,875
	776,196	934,875
Included in current liabilities	(158,677)	(149,138)
	617,519	785,737
<b>Loan maturity analysis</b>		
In more than one year but not more than two years	180,000	165,000
In more than two years but not more than five years	550,000	550,000
In more than five years	46,197	219,875

The loan is secured by way of a debenture dated 21/12/2010 over the freehold property at Albany House.

On 28 July 2016 Barclays Bank have a fixed and floating charge over the assets of the company.

16 Provisions for liabilities	Deferred tax liability £
Balance at 1 October 2020	(63,900)
Profit and loss account	81,012
Balance at 30 September 2021	17,112

The deferred tax liability is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	17,112	(63,900)



# ASPAR PHARMACEUTICALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2021

#### 17 Pension and other post-retirement benefit commitments

##### 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. The pension cost charge represents contributions payable by the company to the fund and amounted to £35,733 (2020- £31,370). Contributions totalling £0 (2020- £0) were payable to the fund at the year end and are included in creditors.

	2021 £	2020 £
Contributions payable by the company for the year	50,535	49,386

#### 18 Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
45,100 Ordinary shares of £1 each	45,100	45,100

#### 19 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 October 2020	10,293,594
Profit for the year	2,581,934
Balance at 30 September 2021	12,875,528

#### 20 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	319,684	245,181

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2020 - 1).

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	153,750	92,333
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# ASPAR PHARMACEUTICALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 21 Transactions with directors

As at 30 September 2021 the company owed T Prudhoe £600,000. The loan is unsecured and repayable on demand.

### 22 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was:

	2021 Number	2020 Number
Production	61	64
Administration	7	8
Sales	1	1
Management	3	3
	<u>72</u>	<u>76</u>

#### Employment costs

	2021 £	2020 £
Wages and salaries	2,672,211	2,604,776
Social security costs	279,522	264,730
Other pension costs	50,535	49,386
	<u>3,002,268</u>	<u>2,918,892</u>

### 23 Control

The ultimate controlling party is T.E. Prudhoe, a director of the company.