

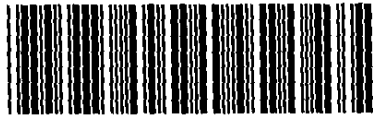
# **IS Pharmaceuticals Limited**

Annual Report and Financial Statements

For the year ended 31 December 2022

Company Registration Number 02685820

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# IS Pharmaceuticals Limited

## Strategic report

For the year ended 31 December 2022

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### Principal activities

The Company did not trade during the current or prior period and the Directors intend to wind up the Company in due course.

### Business review and future developments

The results for the year show a profit on ordinary activities before taxation of £Nil (2021: £70,000).

In the year the Directors approved the payment of a dividend of £Nil (2021: £Nil).

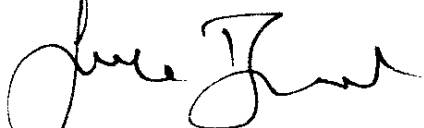
### Principal risks and uncertainties

The Directors of Sinclair Pharma Ltd, the Company's intermediate parent undertaking, manage the Group's risks at a group level, rather than at an individual business unit level. For this reason, the Company's Directors believe that a discussion of the Group's risks would not be appropriate for an understanding of the development, performance or position of the Company's business. The principal risks and uncertainties of the Sinclair Pharma Ltd Group, which include those of the Company, are discussed in the Directors' Report of the Group's annual report which does not form part of this report.

### Key performance indicators ('KPIs')

The Directors of Sinclair Pharma Ltd manage the Company's operations at a group level. For this reason, the Company's Directors believe that analysis using KPIs for the Company is not necessary or appropriate for an understanding of the development, performance or position of the Company's business. The development and performance of the Group's key products, which includes the business of IS Pharmaceuticals Limited, is discussed in the Business Review of the Group's annual report which does not form part of this report.

On behalf of the board



J K Burrell  
Director

21 September 2023

# IS Pharmaceuticals Limited

## Report of the Directors For the year ended 31 December 2022

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The Directors present their report and the financial statements of the Company for the year ended 31 December 2022.

### Financial risk management

The Company is exposed to a variety of financial risks that include the effects of changes in foreign exchange rates on certain liabilities. The Company has a risk management programme that seeks to limit the adverse effects of these risks on the financial performance of the Company. Foreign exchange risk and liquidity risk are managed at a group level.

### Directors

The Directors of the Company who were in office during the period and up to the date of signing the financial statements were as follows:

C P Spooner (resigned 31 May 2022)  
A M Olby (resigned 13 May 2022)  
J K Burrell  
MA Pardos Blanco (appointed 28 April 2022)

### Directors' and officers liability insurance

The Company had in place qualifying third party indemnity insurance for all Directors throughout the year and to the date of this report.

### Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing 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 United Kingdom Accounting Standards, including FRS 101 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 101 used in the preparation of the financial statements; and
- 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 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.



J K Burrell  
Director

21 September 2023

## IS Pharmaceuticals Limited

### Statement of comprehensive income For the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
Administrative expenses		-	70
<b>Operating profit and profit on ordinary activities before taxation</b>	3	-	70
Tax on profit on ordinary activities	4	-	-
<b>Profit and total comprehensive income for the financial period</b>		-	70

All of the activities of the Company are classed as discontinued.

There is no difference between the profit on ordinary activities before taxation and the profit for the financial periods stated above and their historical cost equivalents.

The notes on pages 6 to 8 form part of these financial statements.

## IS Pharmaceuticals Limited

### Balance Sheet at 31 December 2022

	Note	2022 £'000	2021 £'000
<b>Current assets</b>			
Debtors	5	475	475
<b>Net assets</b>		<u>475</u>	<u>475</u>
<b>Capital and reserves</b>			
Called up share capital	6	47	47
Share premium		123	123
Retained earnings		305	305
<b>Total shareholders' funds</b>		<u>475</u>	<u>475</u>

The Company's registered number is: 02685820

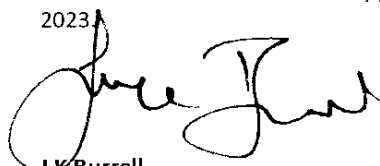
#### Audit exemption statement

For the year ending 31 December 2022 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

#### Directors' responsibilities:

- the members have not required the Company to obtain an audit of its accounts for the period in question in accordance with section 476
- the Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

The financial statements were approved by the Board of Directors and authorised for issue on 21 September 2023.



J.K. Burrell  
Director

The notes on pages 6 to 8 form part of these financial statements.

## IS Pharmaceuticals Limited

### Statement of changes in equity For the period ended 31 December 2022

	Share capital £'000	Share Premium £'000	Retained earnings £'000	Total equity £'000
<b>At 1 January 2021</b>	<b>47</b>	<b>123</b>	<b>235</b>	<b>405</b>
Profit and total comprehensive income for the year	-	-	70	70
<b>Balance at 31 December 2021 and 31 December 2022</b>	<b>47</b>	<b>123</b>	<b>305</b>	<b>475</b>

The notes on pages 6 to 8 form part of these financial statements.

# IS Pharmaceuticals Limited

## Notes to the financial statements For the period ended 31 December 2022

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### 1 Company information

IS Pharmaceuticals Limited is a private company limited by shares, incorporated in the United Kingdom. The address of its registered office is Eden House, Lakeside, Chester Business Park, Chester, CH4 9QT, England.

### 2 Accounting policies

#### **Basis of preparation**

These financial statements have been prepared in accordance with applicable accounting standards and in accordance with Financial Reporting Standard 101 – 'The Reduced Disclosure Framework (FRS 101)'. The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have all been applied consistently throughout the period unless otherwise stated.

The financial statements have been prepared on a historical cost basis, as modified by certain assets and liabilities measured at fair value.

The financial statements are presented in Sterling (£) and have been presented in round thousands (£'000).

#### **Going concern**

The Company's intermediate controlling party, Sinclair Pharma Ltd, has confirmed they will continue to provide financial support to the Company for a period of at least 12 months from the date these financial statements are approved by the Board. As such these financial statements have been prepared on a going concern basis.

#### **Disclosure exemptions adopted**

The following disclosure exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - Paragraph 79(a)(iv) of IAS1
- The following paragraphs of IAS 1 'Presentation of Financial Statements'
  - 10(d) (statement of cash flows)
  - 16 (statement of compliance with all IFRS)
  - 38A (requirement for minimum of two primary statements, including cash flow statements)
  - 38B-D (additional comparative information)
  - 111 (cash flow statement information), and
  - 134 – 146 (capital management disclosures)
- IFRS 7, 'Financial Instruments: Disclosures'
- Paragraphs 91 to 99 of IFRS 13 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- IAS 7, 'Statement of cash flows'
- Paragraphs 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

#### **Critical accounting estimates and judgements**

Preparation of the Company's financial statements requires the use of estimates and judgements that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosures. The Board bases its estimates and judgements on historic experience and on various other assumptions that it considers reasonable. Actual results may differ from these estimates under different assumptions and conditions. Due to the trade being discontinued, the Board consider that there are no estimates or assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

# IS Pharmaceuticals Limited

## Notes to the financial statements For the year ended 31 December 2022

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### 2 Accounting policies (continued)

#### *Financial instruments*

Non-derivative financial instruments comprise trade and other debtors and trade and other creditors.

#### *Trade and other debtors*

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

#### *Trade and other creditors*

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

#### *Foreign currencies*

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Gains and losses are recognised in the income statement.

### 3 Operating profit

The Company has no employees (2021: None). The Directors' receive no remuneration for their services as Directors of the Company (2021: £Nil). The Directors receive remuneration from other Group companies and no element is apportioned to the Company.

### 4 Tax on profit on ordinary activities

The tax assessed for the period differs from the standard rate of Corporation tax in the UK of 19.0% (2021: 19.0%). The difference is explained below:

	2022 £'000	2021 £'000
Profit on ordinary activities before taxation	-	70
Profit on ordinary activities multiplied by the average standard rate of Corporation tax in the UK during the period of 19.0% (2021: 19.0%)	-	13
<b>Effects of:</b>		
Utilisation of brought forward losses	-	(13)
<b>Total tax charge</b>	-	-

### 5 Debtors

	2022 £'000	2021 £'000
Amounts owed by group undertakings	475	475

## IS Pharmaceuticals Limited

### Notes to the financial statements

For the year ended 31 December 2022

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#### 6 Called up share capital

Allotted, called up and fully paid:

	2022		2021	
	No.	£'000	No.	£'000
Ordinary shares of £1 each	46,770	47	46,770	47

#### 7 Related party transactions

The Company is a wholly owned subsidiary of Sinclair Pharma Ltd, the consolidated financial statements of which are publically available. As permitted by paragraph 8(k) of FRS101 related party transactions with wholly owned members of Sinclair Pharma Ltd have not been disclosed.

There were no other related party transactions in the year ended 31 December 2022.

#### 8 Immediate and ultimate parent undertaking and ultimate controlling party

At 31 December 2022, the immediate parent company was IS Pharma Ltd, a company incorporated in England. The Directors consider Sinclair Pharma Ltd, a company incorporated in England, to be the intermediate parent company. Sinclair Pharma Limited is owned by Huadong Medicine Aesthetics Investment (Hongkong) Limited, a subsidiary of Huadong Medicine Co. Ltd. Both companies are registered in China. There is no ultimate parent undertaking.

These financial statements are consolidated within the financial statements of Huadong Medicine Co. Ltd which is listed on the Shenzhen Stock Exchange. Information about the company including its annual report and financial statements is available on the company's website: [www.eastchinapharm.com](http://www.eastchinapharm.com).