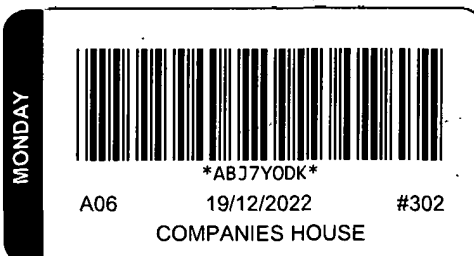


**MW Encap (Holdings) Limited**  
**Annual Report and Financial Statements**  
**for the year ended 31 December 2021**

Registered no: 03166262.



# **MW Encap (Holdings) Limited**

## **Annual report and financial statements for the year ended 31 December 2021**

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# MW Encap (Holdings) Limited

## Directors and other information

### Directors

J Fraser

Peter Burema (appointed 31 March 2021)

Frank Posnanski (appointed 31 March 2021)

Eric Schmidhaeuser (appointed 31 March 2021)

### Registered office

83 Victoria St

London

SW1H 0HW

### Business address

1-8 Oakbank Park Way

Livingston

West Lothian

EH53 0TH

### Independent auditors

Menzies LLP

1st Floor

Midas House

62 Goldsworth Rd

Woking

Surrey

GU21 6LQ

### Registered Number

03166262

# MW Encap (Holdings) Limited

## Strategic report for the year ended 31 December 2021

The directors present their strategic report on the company for the year ended 31 December 2021.

### Review of business

The principal activity of the company during the year was that of a holding company. It is anticipated that the company will continue to operate as a holding company.

### Performance during the year and future developments

Operating loss for the year was £nil, (2020: £2,573 loss (due to foreign exchange movements)). The company had net assets of £16,936,974 (2020: net assets of £1,693,764).

The future development of the company's subsidiary business is focused on the development and retention of its customer base, by working in collaboration with customers from initial development of the liquid filled hard capsule through all stages of clinical supply to commercial manufacture.

On 19th January 2021, Lonza Group Ltd and NextPharma jointly announced an agreement for the sale of the company to NextPharma. The sale process was concluded on 31 March 2021 and included the sale of its subsidiary, Xcelience Clinical Services Ltd, to Capsugel Belgium N.V.

### Principal risks and uncertainties

The management of the business and the execution of the strategy of the company's subsidiary are subject to a number of risks. The key business risks and uncertainties affecting the company and its subsidiary are considered to be the ongoing economic uncertainty, competition from international manufacturers and employee retention. The group and company aim to manage these risks by selling products internationally for a number of different clients, with a focus on partnering with clients from the development stages of the project through to commercial manufacture and maintaining its reputation as a leading supplier in the marketplace. The group and company are continually seeking ways to develop and extend its supplier base, working with suppliers to mitigate price rises. In addition, bids to customers have limited validity so that prices can be monitored and updated accordingly. The success of the group and company relies on the continued service of its key personnel and the group and company structures packages to retain and motivate these employees. Levels of competition in our core markets continue. We continue to plan on a global basis to minimise these risks.

### Financial key performance indicators

The directors of MW Encap (Holdings) Ltd do not believe that an analysis using KPIs for the company is necessary or appropriate for an understanding of the development, performance, or position of the business of the company.

### Environmental, Health and Safety (EHS)

Compliance with laws, regulations and other applicable EHS requirements is a top priority for the company and its parent company NextPharma. While compliance is a critical starting point, the company is also focused on continually enhancing all aspects of our business, including EHS. To that end the company seeks to achieve the highest standards of EHS performance, which includes three key elements:

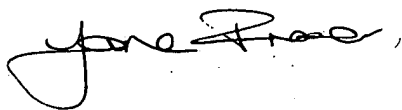
1. Fully compliant operations
2. Zero EHS incidents
3. Environmentally sustainable operations, products and services.

The company has a written policy covering each of the above three elements and it is the Site Management's responsibility to implement this policy and the EHS Management System.

# **MW Encap (Holdings) Limited**

## **Strategic report for the year ended 31 December 2021 (continued)**

This report was approved by the board of directors on 7<sup>th</sup> December 2022 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to read 'Jane Fraser', with a stylized flourish at the end.

Jane Fraser  
Director

# MW Encap (Holdings) Limited

## Directors' report for the year ended 31 December 2021

The directors present their report and audited financial statements of the company for the year ended 31 December 2021.

### Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements are:

J Fraser

Christian S Dowdeswell (resigned 31 March 2021)

Olivier van Hoorebeke (resigned 31 March 2021)

Peter Burema (appointed 31 March 2021)

Frank Posnanski (appointed 31 March 2021)

Eric Schmidhaeuser (appointed 31 March 2021)

### Future developments

The future developments of the company are included within the Strategic Report on page 2.

### Results and dividends

The profit for the financial year of £4,658,008 (2020: loss of £2,993) has been transferred to reserves. No dividend is declared for the year under review (2020: £nil).

### Financial Risk management

The company's operations expose it to a variety of financial risks. Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the directors are implemented by each group company's finance department.

### Political donations and political expenditure

During the financial year the company made no donations to a registered political party, other political organisation in the EU (including the UK) or any independent election candidate, or incurred EU political expenditure exceeding £2,000 in the financial year.

### Going Concern

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

On 31 March 2021, the sale of the company to NextPharma was completed. This has not impacted the company's financial position or status as a holding company.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

### Statement of Disclosure of information to auditors

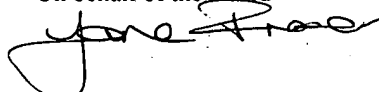
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### Independent Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditor Menzies LLP was appointed on 18 November 2021 and will be deemed to be re-appointed therefore continuing in office.

On behalf of the Board



Jane Fraser

Director

7<sup>th</sup> December 2022

# **MW Encap (Holdings) Limited**

## **Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulation.

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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- assess the company and parent 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 the parent company or to cease operations or have no realistic alternative but to do so.

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 responsible for 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, 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 of the ultimate parent company are responsible for the maintenance and integrity of the of the ultimate parent company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# **MW Encap (Holdings) Limited**

## **Independent auditors' report to the members of MW Encap (Holdings) Limited**

### **Opinion**

We have audited the financial statements of MW Encap (Holdings) Limited (the 'Company') for the year ended 31 December 2021, which comprise the Profit and Loss account, the Balance Sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its loss 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 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 director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

### **Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The director is responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinion 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 Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and



# MW Encap (Holdings) Limited

## Independent auditors' report to the members of MW Encap (Holdings) Limited (continued)

### Opinion on other matters prescribed by the Companies Act 2006 (continued)

- the Strategic Report and the Director's Report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Director's 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of directors

As explained more fully in the Director's Responsibilities Statement set out on page (X), the director is 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 director determines 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 director is 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 director either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### 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 Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation. We determined that the following laws and regulations were most significant including:

- The Companies Act 2006;
- Financial Reporting Standard 102;
- UK employment legislation
- UK health and safety legislation; and
- General Data Protection Regulations

We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

We understood how the Company is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal and compliance procedures. We corroborated our inquiries through our

# MW Encap (Holdings) Limited

## Independent auditors' report to the members of MW Encap (Holdings) Limited (continued)

### Auditors' responsibilities for the audit of the financial statements (continued)

review of board minutes and legal & professional nominal ledger. The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations. The assessment did not identify any issues in this area.

We assessed the susceptibility of the parent company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:

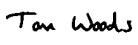
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud;
- Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- Challenging assumptions and judgments made by management in its significant accounting estimates; and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.
- As a result of the above procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:
- Posting of journals to the accounting software which are of a non-routine nature in terms of timing and amount;
- Timing of revenue recognition; and
- The use of management override of controls to manipulate results, or to cause the Company to enter into transactions not in their best interests.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' 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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:  
  
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**Tom Woods ACA (Senior Statutory Auditor)**  
for and on behalf of Menzies LLP

**Chartered Accountants**  
**Statutory Auditor**  
1st Floor, Midas House  
62 Goldsworth Road  
Woking  
Surrey, GU21 6LQ

7<sup>th</sup> December 2022

# MW Encap (Holdings) Limited

## Profit and loss account for the year ended 31 December 2021

	Note	2021 £	2020 £
Operating (loss)	5	-	(2,573)
Interest payable and similar expenses	7	-	(1,122)
Gain on disposal of subsidiary		4,658,008	-
Profit / (loss) before taxation		4,658,008	(3,695)
Tax on profit or loss	8	-	702
Profit / (loss) for the financial year		4,658,008	(2,993)

The company has no recognised gains and losses other than the profit or loss above in either the current year or prior year, and therefore no separate statement of comprehensive income has been presented. The profit or loss for the financial year is also the total comprehensive income or expense for the year.

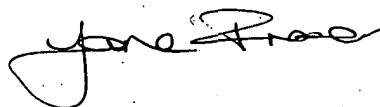
# MW Encap (Holdings) Limited

## Balance sheet as at 31 December 2021

	Note	2021 £	Restated 2020 £
<b>Fixed assets</b>			
Fixed Asset Investments	9	16,565,382	1,322,173
<b>Current assets</b>			
Debtors	10	371,591	371,591
		371,591	371,591
Creditors amounts falling due within one year	11	-	-
Net current assets		371,591	371,591
<b>Total assets less current liabilities</b>		<b>16,936,974</b>	<b>1,693,764</b>
<b>Net assets</b>		<b>16,936,974</b>	<b>1,693,764</b>
<b>Capital and reserves</b>			
Called up share capital	12	181,333	146,615
Share premium account	13	11,218,744	668,260
Profit and loss account	13	5,536,897	878,889
<b>Total equity</b>		<b>16,936,974</b>	<b>1,693,764</b>

The notes on pages 11 to 17 are an integral part of these financial statements

These financial statements were authorised for issue by the board of directors on 7<sup>th</sup> December 2022 and were signed on its behalf by:



**Jane Fraser**  
Director

**MW Encap (Holdings) Ltd**  
Registered no: 03166262

# MW Encap (Holdings) Limited

## Statement of changes in equity for the year ended 31 December 2021

	Called up share capital £	Share Premium account £	Profit and loss account £	Total Equity £
Balance as at 1 January 2020	146,615	668,260	881,882	1,696,757
Loss for the financial year	-	-	(2,993)	(2,993)
Balance as at 31 December 2020	146,615	668,260	878,889	1,693,764
Shares issued	34,718	10,550,484	-	10,585,202
Profit for the financial year	-	-	4,658,008	4,658,008
Balance as at 31 December 2021	181,333	11,218,744	5,536,897	16,936,974

# MW Encap (Holdings) Limited

## Notes to the financial statements for the year ended 31 December 2021

### 1 General information

MW Encap (Holdings) Limited ('the company') acts as a holding company.

The company is incorporated and domiciled in England and Wales. The address of its registered office is MW Encap (Holdings) Limited, Suite, 83 Victoria St, London, SW1H 0HW. The principal place of business is Units 1-8, Oakbank Park Way, Livingston, EH54 0TH.

### 2 Statement of compliance

The financial statements of MW Encap (Holdings) Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006, under the provision of the Large and Medium-sized Companies (Accounts and Reports) Regulations 2008 (SI 2008/410).

### 3 Summary of significant accounting policies

The principal accounting policies adopted 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.

#### Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention.

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 accounting policies. The item relevant to these financial statements is disclosed in note 4.

#### Going concern

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons:

On 31 March 2021, the sale of the company to NextPharma Technologies Holding Limited was completed. This has not impacted the company's financial position or status as a holding company.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

#### Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions. The company has taken advantage of the following disclosure exemptions in preparing these Financial Statements, as permitted by FRS 102 for qualifying entities:

- the requirements of section 3 Financial Statement Presentation paragraph 3.17(d) and section 7 Statement of Cash Flows not to prepare a statement of cash flows;
- the requirements of section 11 Basic Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c) and Section 12 Other Financial Instrument Issues paragraphs 12.26 (in relation to those cross-referenced paragraphs from which a disclosure exemption is available), 12.27, 12.29(a), 12.29(b), and 12.29A as equivalent disclosures are included in consolidated financial statements of Bowtie Germany BidCo GmbH, in which the company is fully consolidated into.

# MW Encap (Holdings) Limited

## Notes to the financial statements for the year ended 31 December 2021 (continued)

### 3 Summary of significant accounting policies (continued)

#### Exemptions for qualifying entities under FRS 102 (continued)

The company's shareholders have been notified in writing about, and does not object to, the use of the above disclosure exemptions.

#### Consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking, Bowtie Germany BidCo GmbH, established under the law of a state other than the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006. The address of Bowtie Germany BidCo GmbH's registered office is Hildebrandstrasse 12, 37081 Gottingen, Germany. The consolidated financial statements of Bowtie Germany BidCo GmbH are filed at Companies House with the financial statements of NextPharma Holdings Limited, the Company's UK parent company.

These financial statements are the company's separate financial statement and do not contain consolidated information as the parent of subsidiary companies.

#### Foreign currency

##### *Functional and presentation currency*

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

##### *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 when deferred in other comprehensive income as qualifying cash flow hedges.

#### Interest expenses

Interest expenses are recognised using the effective interest rate method.

#### Taxation

Taxation expense for the period comprises current 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. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

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.

# MW Encap (Holdings) Limited

## Notes to the financial statements for the year ended 31 December 2021 (continued)

### 3 Summary of significant accounting policies (continued)

#### Financial instruments

The company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

#### *Financial 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.

#### Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### Related party transactions

The company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

### 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 risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

#### *Impairment of investments in subsidiaries*

Amounts relating to investments in subsidiaries are tested annually for impairment. The magnitude of the balance in the context of the financial statements is significant and is dependent on the results and financial position of the individual subsidiary. See note 9 for the carrying amount of the investments and the list of subsidiary undertakings.

### 5 Operating loss

	2021	2020
Operating loss is stated after:	£	£
Foreign exchange loss/(gain)	-	(2,573)

The company's audit fees for 2021 and 2020 have been borne by its subsidiary, MW Encap Limited. The total fee for the audit of MW Encap (Holdings) Limited and MW Encap Limited is £35,500 (2020: £40,000).

### 6 Employees and directors

The company has no employees.

The directors remuneration for the year is £nil (2020: £nil). The directors remuneration is paid by other group companies. There is no direct apportionment of the amount paid by the other group companies in relation to servicing this company, as the directors did not provide material qualifying services.



# MW Encap (Holdings) Limited

## Notes to the financial statements for the year ended 31 December 2021 (continued)

### 7 Interest payable and similar expenses

#### (a) Interest payable and similar expenses

	2021	2020
	£	£
Interest payable to Group companies	-	1,122
Total interest payable and similar expenses	-	1,122

### 8 Tax on results

#### (a) Tax (credit) / charge included in results

	2021	2020
	£	£
<b>Current tax:</b>		
UK corporation tax	-	(702)
Adjustments in respect of prior periods	-	-
Total Current tax	0	(702)

#### b) Reconciliation of tax charge

Tax assessed for the year is lower than (2020: equal to) than the standard rate of corporation tax in the UK for the year ended 31 December 2021 of 19% (2020: 19%). The differences are explained below:

	2021	2020
	£	£
<b>Profit / (Loss) before taxation</b>	<b>(4,658,008)</b>	<b>(3,695)</b>
Loss multiplied by the standard rate of tax in the UK of 19% (2019: 19%)	885,022	(702)
Income not taxable	(885,022)	-
Tax (credit)/charge for the year	-	(702)

#### (c) Tax rate changes

The company has tax losses of £121,841 (2020: £121,841) that are available indefinitely for offset against future taxable profits of the company. Deferred tax assets have not been recognised in respect of these losses as there is uncertainty over whether suitable profits will arise in future periods against which the deferred tax assets would reverse.

The Finance Act 2016, which received Royal Assent on 15 September 2016, enacted a reduction in the UK corporation tax rate from 19% to 17% effective from 1 April 2020. However, legislation introduced in the Finance Act 2020 (enacted on 22 July 2020) repealed the reduction of the corporation tax, thereby maintaining the current rate of 19%. Deferred taxes on the balance sheet have been measured at 25% (2019 – 19%) which represents the future corporation tax rate that was enacted at the balance sheet date.

# MW Encap (Holdings) Limited

## Notes to the financial statements for the year ended 31 December 2021 (continued)

### 9 Fixed asset investments

	Shares in group undertakings £
Cost	
At 1 January 2020 - restated	1,322,173
Impairment At 1 January 2020 and 31 December 2021	-
Purchase of shares in Group undertakings	16,264,383
Disposal of shares in Group undertakings	-1,021,174
Carrying amount	
At 31 December 2021	16,565,382
At 31 December 2020	1,322,173

The subsidiary undertakings of the Company are listed below:

Subsidiary Undertakings	Company number	Registered address	Class of share	Percentage of shares held
MW Encap Ltd	02886521	83 Victoria St, London, SW1H 0HW	Ordinary	100%

Xcelience Clinical Services Ltd was a 100% owned subsidiary and was disposed of on 18 March 2021.

### 10 Debtors

	2021 £	Restated 2020 £
Amounts owed by group undertakings	371,591	371,591

Amounts owed by group undertakings are repayable on demand and are interest free.

### 11 Creditors: amounts falling due within one year

	2021 £	2020 £
Amounts owed to group undertakings	-	-

# MW Encap (Holdings) Limited

## Notes to the financial statements for the year ended 31 December 2021 (continued)

### 12 Called up share capital

#### Ordinary shares of £1 each

Allotted and fully paid – Ordinary shares of £1 each	No	£
At 1 January 2021 and 31 December 2021	146,615	146,615
Allotted and fully paid – Ordinary A shares of £1 each	No	£
At 1 January 2021	-	-
Issued during year	34,718	34,718
At 31 December 2021	34,718	34,718
<b>Total Allotted and fully paid</b>		
At 1 January 2021	146,615	146,615
At 1 December 2021	181,333	181,333

On 18 March 2021, 34,718 Ordinary A shares of £1 each were issued.

### 13 Reserves

#### Share premium account:

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

#### Profit and loss account:

	2021	2020
	£	£
At 1 January	878,889	881,882
Loss for year	4,658,008	(2,993)
At 31 December	5,536,897	878,889

### 14 Capital and other commitments

The company had no capital or other commitments at 31 December 2021.

### 15 Related party transactions

The company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the NextPharma group due to the disclosure exemptions available under FRS 102 which the company has elected to apply as it is a qualifying entity.

### 16 Controlling parties

The company's immediate parent undertaking is NextPharma Technologies Holding Ltd, a company incorporated in England. The company is consolidated within the financial statements of Bowtie Germany BidCo GmbH which are available from Hildebrandstrasse 21, 37081 Gottingen, Germany.

Until 31 March 2021, the company's immediate parent undertaking was Capsugel Belgium N.V. The directors consider that company's ultimate parent undertaking was Lonza Group AG, a company incorporated in Switzerland and registered at Muenchensteinerstrasse 38, CH-4002, Basel, Switzerland. On that date, the company was sold to Nextpharma Group and from then the directors consider the ultimate parent undertaking and controlling party to be private equity investment funds advised by CapVest Partners LLP.