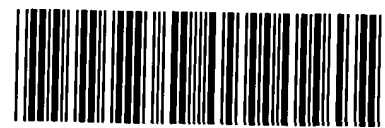


Company Registration No. 03319706 (England and Wales)

**MEDICAL SOLUTIONS (LEEDS) LIMITED**

**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2020**

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# **MEDICAL SOLUTIONS (LEEDS) LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	J C LeCoque D M Kirkham
<b>Company number</b>	03319706
<b>Registered office</b>	1 Orchard Place Nottingham Business Park Nottingham NG8 6PX
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants Suite A, 7th Floor East West Building 2 Tollhouse Hill Nottingham NG1 5FS

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# MEDICAL SOLUTIONS (LEEDS) LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2020

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The directors present their annual report and financial statements for the year ended 31 December 2020.

#### Principal activities

The Company has not traded with external customers or suppliers. However, during the year the Company did receive and remit dividends intra group as part of a group capital reorganisation ahead of the Admission to AIM of the ultimate parent company, SourceBio International plc, in October 2020.

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

J C LeCoque	
D M Kirkham	(Appointed 15 June 2021)
R S Wheatcroft	(Resigned 15 June 2021)
T F Nolan	(Resigned 28 February 2020)

#### Qualifying third party indemnity provisions

Qualifying third party indemnity provision is in place for the benefit of all directors of the company.

#### Auditor

In accordance with the articles of association of the ultimate parent Company, SourceBio International PLC, a resolution proposing RSM UK Audit LLP to be reappointed as group auditors and for all relevant group entities will be put forward to the general meeting.

#### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the Company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



D M Kirkham  
Director

9 September 2021

# **MEDICAL SOLUTIONS (LEEDS) LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

### **FOR THE YEAR ENDED 31 DECEMBER 2020**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 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;
- 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

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEDICAL SOLUTIONS (LEEDS) LIMITED**

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## **Opinion**

We have audited the financial statements of Medical Solutions (Leeds) Limited (the 'company') for the year ended 31 December 2020 which the statement of comprehensive income, statement of financial position, statement of changes in equity and notes to the financial statements, including 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 Republic of Ireland" (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 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 the 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 is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

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

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

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

## **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are 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.

## **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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEDICAL SOLUTIONS (LEEDS) LIMITED (CONTINUED)**

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### **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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 2, 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 but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEDICAL SOLUTIONS (LEEDS) LIMITED (CONTINUED)

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As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and evaluating advice received from external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to GDPR. We performed audit procedures to inquire of management whether the company is in compliance with these laws and regulations.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

### Other matters

The company was exempt from audit, and applied this exemption, in the year ended 31 December 2019 and consequently the corresponding figures are unaudited.

### 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.

RSM UK Audit LLP

Neil Stephenson (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Suite A, 7<sup>th</sup> Floor  
East West Building  
2 Tollhouse Hill  
Nottingham  
NG1 5FS

9 September 2021

# MEDICAL SOLUTIONS (LEEDS) LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

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	Notes	2020 £'000	2019 £'000
Turnover		-	-
Administrative expenses		-	-
		<hr/>	<hr/>
Operating profit		-	-
Amounts written off investments	2	(3,500)	-
Dividends received	2	3,567	-
		<hr/>	<hr/>
Profit before taxation		67	-
Tax on profit		-	-
		<hr/>	<hr/>
Profit for the financial year		67	-
		<hr/>	<hr/>



**MEDICAL SOLUTIONS (LEEDS) LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2020**

		2020		2019	
	Notes	£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Investments	5		-		3,500
<b>Current assets</b>					
Debtors	7	1		4,554	
<b>Creditors: amounts falling due within one year</b>	8	-		(6,994)	
<b>Net current assets/(liabilities)</b>			1		(2,440)
<b>Total assets less current liabilities</b>			1		1,060
<b>Net assets</b>			1		1,060
<b>Capital and reserves</b>					
Called up share capital	9		1		5,779
Share premium account			-		2,640
Profit and loss reserves			-		(7,359)
<b>Total equity</b>			1		1,060

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 9 September 2021 and are signed on its behalf by:



D M Kirkham  
Director

# MEDICAL SOLUTIONS (LEEDS) LIMITED

## STATEMENT OF CHANGES IN EQUITY

### FOR THE YEAR ENDED 31 DECEMBER 2020

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	Share capital £'000	Share premium account £'000	Profit and loss reserves £'000	Total £'000
<b>Balance at 1 January 2019</b>	5,779	2,640	(7,359)	1,060
<b>Year ended 31 December 2019:</b>				
Profit and total comprehensive income for the year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2019</b>	5,779	2,640	(7,359)	1,060
<b>Year ended 31 December 2020:</b>				
Profit and total comprehensive income for the year	-	-	67	67
Transactions with owners in their capacity as owners:				
Capital reduction	(5,778)	(2,640)	8,418	-
Dividends paid	-	-	(1,126)	(1,126)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total transactions within owners in their capacity as owners</b>	(5,778)	(2,640)	7,292	(1,126)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2020</b>	1	-	-	1
	<hr/>	<hr/>	<hr/>	<hr/>

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# MEDICAL SOLUTIONS (LEEDS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies

##### **Company information**

Medical Solutions (Leeds) Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 1 Orchard Place, Nottingham Business Park, Nottingham, NG8 6PX.

##### **Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", including the adoption of the amendments issued in December 2017, ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000. The Company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the Company as an individual entity and not about its group.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

##### **Going concern**

The Company has received confirmation of the continued support of its ultimate parent company, SourceBio International plc (formerly Sherwood Holdings Limited), which has confirmed it will continue to provide financial support for at least twelve months from the date of approval of these financial statements.

##### **Financial instruments**

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include amounts owed by group undertakings, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### **Basic financial liabilities**

Basic financial liabilities, which include amounts due to group undertakings, 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 payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

# MEDICAL SOLUTIONS (LEEDS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies (continued)

##### Equity instruments

Equity instruments issued by the Company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

##### Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

#### 2 Amounts written off investments

	2020 £'000	2019 £'000
Impairment of fixed asset investments	3,500	-

Following receipt of the dividend of £3,567,000 from Quinoderm Limited in the year, the fixed asset investment has been written down to £nil as the subsidiary company is non-trading and has no net assets.

#### 3 Employees

The Company has no employees other than the directors, who do not receive any remuneration in respect of their services to the Company. The average monthly number of persons (including directors) employed by the Company during the year was 2 (2019 - 3).

The directors were remunerated for their services to the Company by the immediate parent company Source BioScience Limited and other group companies. Full details of their remuneration are shown in the financial statements of Source BioScience UK Limited and SourceBio International plc (formerly Sherwood Holdings Limited), the ultimate parent company. No further disclosure has been included herein as it is not considered practicable to allocate directors' remuneration to individual companies within the group.

# MEDICAL SOLUTIONS (LEEDS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 4 Dividends

	2020 £'000	2019 £'000
The following dividends were declared and paid during the year:		
Final dividend	1,126	-

#### 5 Fixed asset investments

	Shares in group undertakings £'000
<b>Cost</b>	
At 1 January 2020 and 31 December 2020	3,500
<b>Impairment</b>	
At 1 January 2020	-
Impairment charged for the year	(3,500)
At 31 December 2020	(3,500)
<b>Carrying amount</b>	
At 31 December 2020	-
At 31 December 2019	3,500

All impairment charges in the year have been charged through exceptional items,

#### 6 Subsidiaries

Details of the Company's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Quinoderm Limited	1 Orchard Place Nottingham Business Park Nottingham NG8 6PX	Non-trading	Ordinary	100.00

#### 7 Debtors

	2020 £'000	2019 £'000
Amounts falling due within one year:		
Amounts owed by group undertakings	1	4,554

# MEDICAL SOLUTIONS (LEEDS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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

	2020 £'000	2019 £'000
Amounts owed to group undertakings	-	6,994

Amounts owed to group undertakings are unsecured and interest free. They have no fixed repayment date, however, the Company has received written confirmation from its ultimate parent undertaking, that the counterparties will not require repayment unless such repayment can be made without prejudicing the company's ability to settle amounts payable to other external creditors as they fall due.

#### 9 Share capital

	2020 £'000	2019 £'000
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
675 Ordinary shares of £1 each (2019: 5,778,675 Ordinary Shares of £1 each)	1	5,779

The Company reduced its share capital from 5,778,675 £1 shares to 675 £1 shares by cancelling and extinguishing 5,778,000 £1 shares on 22 September 2020 as part of a corporate share re-organisation in anticipation of the admission to AIM of its ultimate parent company, SourceBio International plc.

The holder of ordinary shares is entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

#### 10 Financial commitments, guarantees and contingent liabilities

At 31 December 2020, under the terms of the Source Bioscience Limited group banking facility with Barclays Bank, the company was a party to a bank guarantee with other group companies. At 31 December 2020 the maximum contingent liability under group banking arrangements was £nil as all bank borrowings had been repaid in the year (2019: £4.9m). The group had a right of set off on all overdraft and bank borrowings as part of this agreement. The Group borrowing facility has since lapsed in 2021.

#### 11 Ultimate controlling party

The immediate parent company is Source Bioscience Limited and the ultimate parent company is SourceBio International plc (formerly Sherwood Holdings Limited), both companies are incorporated in England and Wales. SourceBio International plc is the largest and smallest group for which consolidated financial statements are prepared. The registered office of SourceBio International plc and Source Bioscience Limited is 1 Orchard Place, Nottingham Business Park, Nottingham, NG8 6PX. The directors consider there to be no ultimate controlling party.