

Company Registration No. 03783386 (England and Wales)

MEDPHARM LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2022

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MEDPHARM LIMITED

COMPANY INFORMATION

Directors	M B Brown A G Muddle D Parker T Wahlbrink
Secretary	Pennsec Limited
Company number	03783386
Registered office	Unit 3 Chancellor Court 50 Occam Road Surrey Research Park Guildford Surrey GU2 7AB
Auditor	RSM UK Audit LLP Chartered Accountants One London Square Cross Lanes Guildford Surrey GU1 1UN

MEDPHARM LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present the Strategic Report for the year ended 31 December 2022.

MedPharm Limited (MedPharm) is a leading, global provider of contract topical and transdermal product design and formulation development services.

MedPharm has fully established R&D centres in the US and UK and GMP clinical manufacturing in the US and UK. Since establishment in 1999, MedPharm has already partnered with a variety of high profile clients to develop and deliver over 30 superior products to the market which are directly benefiting patients with a wide variety of conditions.

MedPharm are experts at reducing risk and accelerating development times for generic and proprietary pharmaceutical customers through proprietary, industry-leading performance testing models. Well-established as a global leader in dermatology, nail, mucosal membrane, and transdermal product development, MedPharm also offers innovative solutions for ophthalmic and airway preparations. These solutions are recognised for their scientific rigor by regulators and investors.

MedPharm also holds patented technology based on the 'patch-in-a-can' concept - "MedSpray". MedSpray benefits patients by offering the possibility of long term dosing of a product through the skin or mucosal membrane from a clear 'patch' conveniently applied as a spray from a can. It is applicable to a wide variety of products including those for curing infections or pain management. The unique dosing offers clients the opportunity to differentiate their product and potentially achieve premium pricing for extended effects. The technology is often applicable when clients are considering the life cycle management of established products.

MedPharm can support clients throughout the development process from initial API characterization to clinical manufacture. Importantly, MedPharm offers flexibility to deliver the parts of a client's development programme which best fit with their requirements. Fundamentally MedPharm will propose to clients the optimal program for their current circumstances that maximizes the chance for achieving the desired outcome and efficiently mitigates the risks associated with the project. Our strategy is aimed at leveraging and expanding the firm's unique capabilities to continue to provide clients with outstanding service, enabling them to deliver outstanding treatments for the ultimate consumer.

Business review and financial position

With a view to maintaining the current growth in business, MedPharm continued to invest in business development and marketing capabilities which resulted in revenue of £18.7m for the year ended 31 December 2022 (2021: £19.4m) and revenue decline of 3.8% in the year (2021: 8.6% growth). The new project pipeline remained strong, with a ratio of contracts to revenue of 1.10 in 2022 (2021: 1.40).

MedPharm Limited's loss before tax for the year was £5,355,631 (2021: £60,197 profit) and has net current liabilities of £1.9m (2021: net current assets of £2.7m).

A range of Key Performance Indicators ("KPI's") are used to monitor and manage the business and ensure focus is maintained on the key priorities, outlined below:

	31 December 2022	31 December 2021
Revenue	£18,676,309	£19,411,175
(Loss)/profit before tax	(£5,355,631)	£60,197
Working capital (net current (liabilities)/assets)	(£2,597,532)	£2,678,402
Average headcount	115 staff	108 staff
Revenue per head	£162,403	£179,733

MEDPHARM LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Future developments

In parallel with fee for service work for our clients outlined above, MedPharm is constantly looking for opportunities to develop new formulation and drug delivery technologies which enhance clients' products, provide clinical benefits for patients and meet the increasingly stringent requirements of regulatory authorities.

MedPharm believe current services can be more broadly deployed to improve the lives of an even wider group of consumers and to do so we need to communicate with a broader market and clearly demonstrate tangible benefits to potential clients, emphasizing our top-quality, rapid and low risk development propositions.

Additional investments to expand capacity are in progress and complimentary acquisitions will be sought where significant synergies exist.

Principal risks and uncertainties

The principal risks and uncertainties facing the company are discussed below:

Financial risk management

Credit risk

MedPharm is exposed to credit risk from credit sales. It is group policy that the credit risk of customers is assessed and to factor the information from this assessment into future dealings with customers, therefore mitigating the risk. MedPharm also requires significant upfront payments from customers to cover ongoing project costs and operates stringent credit control procedures across all group companies.

Liquidity risk

The company actively manages its finances by reviewing cash flows, performance against budget and the availability of working capital to ensure that it has sufficient available funds for its operations.

Interest rate risk

The company monitors all interest bearing assets and liabilities and their financial impact.

FX risk

The company is exposed to foreign exchange fluctuation risk through expanding activities with overseas customers. The company mitigates these risks by denominating contracts in stable currencies, monitoring foreign exchange movements and planning accordingly.

Operational risk management

Resourcing risk

MedPharm aim to be lean and as responsive to client demands as possible. Managing capacity and throughput have always been key to achieving high profitability levels. However, with increasing success in targeting blue chip clients, managing client agendas and balancing work schedules are even more critical to avoiding lost throughput.

Project risk

There are inherent risks with all research projects, which are compounded by frequent changes in client strategies, which can lead to early terminations of projects which show less favourable results. We aim to mitigate these risks via contract terms and flexible scheduling wherever possible.

Management and staff risk

The business has expanded its senior management team, which helps mitigate the risks inherent in a rapidly growing business and reduce reliance on a few key individuals. Employee engagement initiatives are being put into place to improve staff retention and build a stable knowledge base, which should provide longer term resilience.

MEDPHARM LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Health and Safety

The company conducts its business in a manner that protects the safety of those involved in its operations. The company strives to prevent all accidents, injuries and occupational illnesses through its Health, Safety, Security & Environment (HSSE) Management System. This is embedded into everyday work processes at all levels of the organisation and addresses all aspects of managing safety and health, as well as security, environmental and social risks at our facilities. The company is committed to continuous efforts to identify and eliminate or manage health and safety risks associated with its activities.

On behalf of the board



A G Muddle
Director

Date: 2 Nov 2023

MEDPHARM LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their annual report and audited financial statements for the year ended 31 December 2022.

Principal activities

The principal activity of the company continued to be that of providing services to the pharmaceutical industry, specialising in developing formulation and drug delivery systems.

Results and dividends

The results for the year are set out on page 10.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

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

M B Brown

E F Cioffi

(Resigned 31 March 2023)

A G Muddle

D Parker

T Wahlbrink

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Research and development

MedPharm undertakes research and development activities in the normal course of its business. Expenditure of this nature is written off against profits in the year in which it is incurred. The estimated claim is recognised within other operating income.

Going concern

The directors have prepared forecasts in respect of future trading. Current achievement of the forecasts would allow the entity to manage within its current funding facilities for the foreseeable future. In developing these forecasts, the Directors have made assumptions based upon their view of the current and future economic conditions that will prevail over the forecast period of 12 months from the date of signing these financial statements. However, the Directors have seen and expect the future trading environment to be difficult and the entity has exceeded its current funding facilities. Lenders have not indicated that they are willing to provide additional facilities or to continue to provide its current facilities beyond any breaches of financial covenants. These factors constitute a material uncertainty which would cast significant doubt on the entity's ability to continue as a going concern. Scenario planning analysis has been performed by the Directors, demonstrating how mitigating actions that would be taken in the scenarios would ensure that the group will continue in operation for the foreseeable future. Such mitigating actions include on going cash injections from their ultimate parent undertaking, repayment of banking facilities through re financing, deferring major capital works where possible, making cost savings and sale of non-core activities. Therefore, despite the material uncertainties related to going concern, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

MEDPHARM LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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.

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's Strategic Report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the Directors' Report. It has done so in respect of future developments and the financial and operational risk management of the company.

On behalf of the board



A G Muddle

Director

Date: 2 Nov 2023

MEDPHARM LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

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 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; 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEDPHARM LIMITED

Opinion

We have audited the financial statements of MedPharm Limited (the 'company') for the year ended 31 December 2022 which comprise the statement of comprehensive income, the statement of financial position, the 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 2022 and of its loss 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.

Material uncertainty related to going concern

We draw your attention to note 1 in the financial statements, which indicates that the company may be adversely affected by the current sales trend and the impact of that uncertainty on its banking facilities as a result of the breaches in financial covenants. The directors are taking action to mitigate the impact, by looking at cash injections from their ultimate parent, additional lines of credit, refinancing options, reducing costs, delaying major capital expenditure and sales of non-core activities. As stated in note 1, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEDPHARM LIMITED (CONTINUED)

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 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, 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; and
- 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 MEDPHARM LIMITED (CONTINUED)

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 inspecting correspondence.

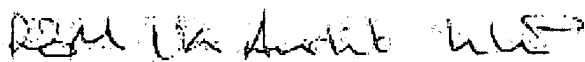
The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to health & safety and compliance with FDA (Food and Drug Administration) and HTA (Human Tissue Authority). We performed audit procedures to inquire of management whether the company is in compliance with these law and regulations and inspected any correspondence with licensing or regulatory authorities where available.

The audit engagement team identified the risk of management override of controls and revenue recognition 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, challenging judgements and testing the recognition of a sample of revenue items both pre and post year-end with reference to the relevant contractual and billing documentation. We have also further reviewed any associated deferred and accrued revenue to confirm revenue has been recognised appropriately.

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.

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.



Jonathan Da Costa FCCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
One London Square
Cross Lanes
Guildford
Surrey, GU1 1UN

03/11/23

MEDPHARM LIMITED

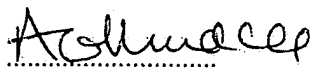
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Revenue	3	18,676,309	19,411,175
Cost of sales		(17,683,840)	(13,949,899)
Gross profit		992,469	5,461,276
Administrative expenses		(6,660,563)	(5,573,257)
Other operating income		555,108	172,159
Non-recurring item	4	(243,915)	-
Operating (loss)/profit	7	(5,356,901)	60,178
Investment income	8	1,270	19
(Loss)/profit before taxation		(5,355,631)	60,197
Tax on (loss)/profit	9	(148,628)	(172,565)
Loss for the financial year		(5,504,259)	(112,368)
Other comprehensive loss net of taxation			
Currency translation differences		(778,883)	(140,379)
Total comprehensive loss for the year		(6,283,142)	(252,747)

MEDPHARM LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2022**

	Notes	2022 £	£	2021 £	£
Non-current assets					
Property, plant and equipment	10	3,040,069		3,536,896	
Investments	11	166,778		166,778	
		<u>3,206,847</u>		<u>3,703,674</u>	
Current assets					
Inventories	13	60,642		-	
Trade and other receivables	14	5,943,624		8,097,298	
Cash and cash equivalents		976,583		767,869	
		<u>6,980,849</u>		<u>8,865,167</u>	
Current liabilities	15	(9,578,381)		(6,186,765)	
Net current (liabilities)/assets		<u>(2,597,532)</u>		<u>2,678,402</u>	
Total assets less current liabilities		609,315		6,382,076	
Provisions for liabilities	16	(567,769)		(419,141)	
Net assets		<u>41,546</u>		<u>5,962,935</u>	
Equity					
Called up share capital	19	10,025		10,025	
Share premium account	20	73,148		73,148	
Capital redemption reserve	20	71		71	
Capital contribution reserve	20	1,136,120		774,367	
Retained earnings	20	(1,177,818)		5,105,324	
Total equity		<u>41,546</u>		<u>5,962,935</u>	

The financial statements were approved by the board of directors and authorised for issue on 2 NOV 23 and are signed on its behalf by:



A G Muddle
Director

MEDPHARM LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital £	Share premium account £	Capital redemption reserve £	Capital contribution reserve £	Retained earnings £	Total £
Balance at 1 January 2021	10,025	73,148	71	522,544	5,358,071	5,963,859
Year ended 31 December 2021:						
Loss for the year	-	-	-	-	(112,368)	(112,368)
Other comprehensive loss net of taxation:						
Currency translation differences	-	-	-	-	(140,379)	(140,379)
Total comprehensive loss for the year	-	-	-	-	(252,747)	(252,747)
Transactions with owners:						
Share-based payment charge	-	-	-	251,823	-	251,823
Balance at 31 December 2021	10,025	73,148	71	774,367	5,105,324	5,962,935
Year ended 31 December 2022:						
Loss for the year	-	-	-	-	(5,504,259)	(5,504,259)
Other comprehensive loss net of taxation:						
Currency translation differences	-	-	-	-	(778,883)	(778,883)
Total comprehensive loss for the year	-	-	-	-	(6,283,142)	(6,283,142)
Share-based payment charge	-	-	-	361,753	-	361,753
Balance at 31 December 2022	10,025	73,148	71	1,136,120	(1,177,818)	41,546

MEDPHARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

MedPharm Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Unit 3, Chancellor Court, 50 Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AB.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

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" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

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 £1.

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

Reduced disclosure

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

MedPharm Limited is a wholly owned subsidiary of MedPharm Holdco Limited and the results of MedPharm Limited are included in the consolidated financial statements of MedPharm Holdco Limited which are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

Consolidated financial statements

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.

MEDPHARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

Going concern

The directors have prepared forecasts in respect of future trading. Current achievement of the forecasts would allow the entity to manage within its current funding facilities for the foreseeable future. In developing these forecasts, the Directors have made assumptions based upon their view of the current and future economic conditions that will prevail over the forecast period of 12 months from the date of signing these financial statements. However, the Directors have seen and expect the future trading environment to be difficult and the entity has exceeded its current funding facilities. Lenders have not indicated that they are willing to provide additional facilities or to continue to provide its current facilities beyond any breaches of financial covenants. These factors constitute a material uncertainty which would cast significant doubt on the entity's ability to continue as a going concern. Scenario planning analysis has been performed by the Directors, demonstrating how mitigating actions that would be taken in the scenarios would ensure that the group will continue in operation for the foreseeable future. Such mitigating actions include on going cash injections from their ultimate parent undertaking, repayment of banking facilities through re financing, deferring major capital works where possible, making cost savings and sale of non-core activities. Therefore, despite the material uncertainties related to going concern, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Revenue

Revenue represents amounts receivable for goods and services net of VAT and trade discounts.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliability estimated, revenue is recognised only to the extent that expenses recognised are recoverable. The amounts by which revenue exceeds payments on account is classified as accrued income within receivables and the amounts by which payments on account exceed revenue is classified as deferred income in payables.

Revenue from the manufacturing of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. The estimated claim is recognised within other operating income.

Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	15% straight line
Plant and equipment	16.67% to 25% reducing balance
Fixtures and fittings	15% straight line
Office equipment	33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Bank borrowings of £4,138,045 (2021: £3,325,451) taken out in the name of MP Pharma Services Inc, a group company, are secured against the land and buildings of the company.

MEDPHARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Impairment of non-current assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Inventories held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Any bank overdrafts are shown within borrowings in current liabilities.

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.

MEDPHARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, 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.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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, including trade and other payables, bank loans and loans from fellow group companies, 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.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

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.

MEDPHARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

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 period. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventory or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

MEDPHARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

Share-based payments

The parent company operates an equity settled share-based remuneration plan, under which the company receives services from its employees as consideration for options over equity instruments of the parent company. These are measured at fair value at the date of grant. The fair value is expensed on a straight line basis over the vesting period, with a corresponding increase in equity. This is based upon the company's estimate of the shares or share options that will eventually vest which takes into account all vesting conditions and non-market performance conditions, with adjustments being made where new information indicated the number of shares or share options expected to vest differs from previous estimates.

The expense in relation to options over the parent company's shares granted is recognised as a capital contribution.

Fair value is determined using an appropriate pricing model. As long as all other vesting conditions are satisfied, no adjustment is made irrespective of whether market or non-vesting conditions are met.

Where the terms of an equity settled transaction are modified, an expense is recognised for any increase in the fair value of the modified options, as measured at the date of modification.

Where an equity settled transaction is cancelled or settled, it is treated as if it has vested on the date of cancellation or settlement, and any expense not yet recognised in profit or loss is expensed immediately.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

MEDPHARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

2 Judgements and key sources of 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 and assumptions will, by definition, seldom equal the related actual results.

Long term contracts

Estimates are made in respect of establishing the stage of completion of long term contracts. In determining the stage of completion, the directors estimate the costs to complete and compare costs incurred as a proportion of total expected costs. Costs relate mainly to contractual hourly staff rates, materials and equipment.

Recoverability of receivables

The company establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability, the directors consider factors such as the ageing of the receivables, past experience of recoverability, and the credit profile of individual or groups of customers.

Equity-settled share options

In relation to equity-settled remuneration schemes, employee services received, and the corresponding increase in equity, are measured by reference to the fair value of the equity instruments at the date of grant. The fair value of share options is estimated by using valuation models, such as Black-Scholes, on the date of grant based on certain assumptions.

Determining residual values and useful economic lives of property, plant and equipment.

The company depreciates property, plant and equipment over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is applied by management when determining the residual values for plant, machinery and equipment. Assessing the amount that the company would obtain upon disposal of the asset. Where possible this is done with reference to external market prices.

3 Revenue

	2022 £	2021 £
Revenue analysed by class of business		
Manufacturing revenue	3,124,000	3,675,864
Rendering of services	15,552,309	15,735,311
	<u>18,676,309</u>	<u>19,411,175</u>
	2022 £	2021 £
Revenue analysed by geographical market		
United Kingdom & Ireland	1,494,105	1,173,983
Rest of Europe	2,054,394	2,812,384
Rest of the world	15,127,810	15,424,808
	<u>18,676,309</u>	<u>19,411,175</u>

MEDPHARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

4 Non-recurring item

	2022 £	2021 £
Expenditure		
Aborted sale	243,915	-

During the year, progress was made in an agreement to sell the company, incurring costs of £243,915. However, ultimately, the transaction was abandoned.

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Direct	58	57
Administration	57	51
	115	108

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	4,115,295	4,401,186
Social security costs	451,587	415,028
Pension costs	215,514	131,176
Share based payment charge	361,753	251,823
	5,144,149	5,199,213

6 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	798,386	500,451

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

	2022 £	2021 £
Remuneration for qualifying services	456,880	301,733

MEDPHARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

7	Operating (loss)/profit	2022	2021
		£	£
	Operating (loss)/profit for the year is stated after charging:		
	Exchange losses	653,062	199,468
	Fees payable to the company's auditor for the audit of the company's financial statements	111,000	42,000
	Depreciation of owned property, plant and equipment	849,823	402,414
	Share-based payments	361,753	251,823
	Operating lease charges	508,294	451,985
		<u> </u>	<u> </u>
8	Finance income	2022	2021
		£	£
	Interest income		
	Interest on bank deposits	1,270	19
		<u> </u>	<u> </u>
9	Taxation	2022	2021
		£	£
	Current tax		
	Adjustments in respect of prior periods	-	(34,452)
		<u> </u>	<u> </u>
	Deferred tax		
	Origination and reversal of timing differences	(277,918)	169,136
	Changes in tax rates	-	60,002
	Derecognition of deferred tax asset	325,223	-
	Adjustment in respect of prior periods	101,323	(22,121)
		<u> </u>	<u> </u>
	Total deferred tax	148,628	207,017
		<u> </u>	<u> </u>
	Total tax charge	148,628	172,565
		<u> </u>	<u> </u>

MEDPHARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

9 Taxation (Continued)

The total tax charge for the year included in the income statement can be reconciled to the (loss)/profit before tax multiplied by the standard rate of tax as follows:

	2022 £	2021 £
(Loss)/profit before taxation	(5,355,631)	60,197
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(1,017,570)	11,437
Tax effect of expenses that are not deductible in determining taxable profit	114,431	62,583
Adjustments in respect of prior years	-	(34,452)
Deferred tax adjustments in respect of prior years	101,313	(22,121)
Fixed asset timing differences	(152,918)	(302,736)
Timing differences not recognised	-	228,716
Adjust closing deferred tax to average rate of 19%	-	60,002
Other timing differences	-	169,136
Deferred tax not recognised	1,103,372	-
Taxation charge for the year	148,628	172,565

Deferred tax assets have not been recognised in respect of losses of £4,717,151 (2021: £621,629) as it is not probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Changes to the UK corporation tax rates were substantively enacted by the Finance Bill 2021 on 24 May 2021. These included an increase of the corporation tax rate to 25% from 1 April 2023. This change has had no impact on these financial statements as deferred tax balances were already calculated at 25% as at the prior year end following the enactment.

MEDPHARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

10 Property, plant and equipment

	Leasehold improvements £	Plant and equipment £	Fixtures and fittings £	Office equipment £	Total £
Cost					
At 1 January 2022	2,102,962	3,350,623	326,365	488,156	6,268,106
Additions	8,923	323,977	-	20,096	352,996
Disposals	-	(355,539)	-	-	(355,539)
At 31 December 2022	2,111,885	3,319,061	326,365	508,252	6,265,563
Depreciation and impairment					
At 1 January 2022	476,943	1,901,823	145,016	207,428	2,731,210
Depreciation charged in the year	107,312	673,193	22,174	47,144	849,823
Eliminated in respect of disposals	-	(355,539)	-	-	(355,539)
At 31 December 2022	584,255	2,219,477	167,190	254,572	3,225,494
Carrying amount					
At 31 December 2022	1,527,630	1,099,584	159,175	253,680	3,040,069
At 31 December 2021	1,626,019	1,448,800	181,349	280,728	3,536,896

MedPharm Holdco Limited, the immediate parent, has taken out bank borrowings of £4,138,045 (2021: £3,325,451), which are secured against the land and buildings of this company, which are included within leasehold improvements.

11 Fixed asset investments

	Notes	2022 £	2021 £
Investments in subsidiaries	12	340	340
Loans to subsidiaries	12	166,438	166,438
		166,778	166,778

The loans to group undertaking accrue interest at 3% and are due for maturity on 1 June 2026. In the opinion of the directors, the fair value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

MEDPHARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

11 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares in group undertakings £	Loans to group undertakings £	Total £
Cost or valuation			
At 1 January 2022 & 31 December 2022	340	166,438	166,778
Carrying amount			
At 31 December 2022	340	166,438	166,778
At 31 December 2021	340	166,438	166,778

12 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
MP Pharma Services, Inc	4222 Emperor Blvd, Suit 320, Durham, NC 27703	Providing services to the pharmaceutical industry, specialising in developing formulation and drug delivery systems.	Ordinary	100.00

13 Inventories

	2022 £	2021 £
Raw materials and consumables	60,642	-

MEDPHARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

14 Trade and other receivables

	2022 £	2021 £
Amounts falling due within one year:		
Trade receivables	2,511,034	3,044,850
Corporation tax recoverable	1,131,042	739,512
Other receivables	111,514	253,243
Prepayments and accrued income	2,190,034	4,059,693
	<u>5,943,624</u>	<u>8,097,298</u>

15 Current liabilities

	2022 £	2021 £
Trade payables	737,689	825,346
Amounts owed to group undertakings	5,597,669	1,424,041
Taxation and social security	179,164	105,199
Other payables	110,166	-
Accruals and deferred income	2,953,693	3,832,179
	<u>9,578,381</u>	<u>6,186,765</u>

Amounts owed to group undertakings are unsecured, payable on demand and interest free.

16 Provisions for liabilities

	Notes	2022 £	2021 £
Deferred tax liabilities	17	<u>567,769</u>	<u>419,141</u>

17 Deferred taxation

The major deferred tax liabilities and assets recognised by the company are:

	Liabilities 2022 £	Liabilities 2021 £
Balances:		
Accelerated capital allowances	567,769	744,364
Tax losses	-	(325,223)
	<u>567,769</u>	<u>419,141</u>

MEDPHARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

17 Deferred taxation (Continued)

	2022 £
Movements in the year:	
Liability at 1 January 2022	419,141
Charge to profit or loss	148,628
Liability at 31 December 2022	<u>567,769</u>

The deferred tax asset set out above is expected to reverse within 12 months and relates to accelerated capital allowances.

18 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>215,514</u>	<u>131,176</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

At the year end £27,142 (2021: £20,347) was outstanding to the company's pension scheme.

19 Share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital				
Allotted, issued and fully paid				
Ordinary shares of 1p each	423,000	423,000	4,230	4,230
Ordinary G1 shares of 1p each	408,200	408,200	4,082	4,082
Ordinary G2 shares of 1p each	171,300	171,300	1,713	1,713
	<u>1,002,500</u>	<u>1,002,500</u>	<u>10,025</u>	<u>10,025</u>

Ordinary share rights

The company's Ordinary shares, which carry no right to fixed income, carry the right to one vote at general meetings of the company.

Ordinary G1 share rights

The company's Ordinary G1 shares carry no right to vote at the general meetings of the company.

Ordinary G2 share rights

The company's Ordinary G2 shares carry no right to vote at the general meetings of the company.

MEDPHARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

20 Reserves

Share premium

Consideration received for shares issued above their nominal value net of transaction costs.

Capital redemption reserve

This reserve records the nominal value of shares repurchased by the company.

Capital contribution reserve

The other reserves represents the cumulative share-based payment expense for the company's share option schemes.

Retained earnings

Cumulative profit and loss net of distribution to owners.

21 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	313,227	235,778
Between one and five years	687,133	1,204,462
In over five years	-	342,340
	<u>1,000,360</u>	<u>1,782,580</u>

22 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2022 £	2021 £
Acquisition of property, plant and equipment	<u>147,560</u>	<u>223,813</u>

MEDPHARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

23 Related party transactions

The company has taken advantage of the exemptions provided by Section 33 of FRS 102 'Related Party Disclosures' and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transactions is wholly owned by a member of that group.

Imtrapharma LTD and MLBT Investments LTD are related parties through common directorship. During the year, these companies charged the company £51,705 (2021:£Nil) and £88,500 (2021:£Nil) respectively for consultancy fees for acting as non-executive directors. At the year end amounts of £3,666 (2021: £Nil) and £Nil (2021: £Nil) were owed respectively.

24 Ultimate controlling party

Ampersand 2014 Limited Partnership is the ultimate controlling party.

MedPharm Holdco Limited is the immediate parent, a company registered in the United Kingdom at Unit 3, Chancellor Court 50 Occam Road, Surrey Research Park, Guildford, GU2 7AB. MedPharm Holdco Limited is the smallest and largest group for which consolidated accounts including MedPharm Limited are prepared.