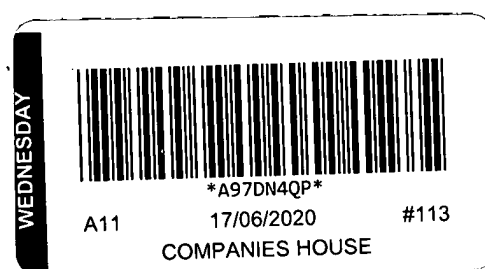


REGISTERED NUMBER: 07312805 (England and Wales)

VECTURA GROUP INVESTMENTS LIMITED

07312805

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2019**



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VECTURA GROUP INVESTMENTS LIMITED
COMPANY INFORMATION

DIRECTORS:

P Fry
W Downie

COMPANY SECRETARY:

J Murphy

REGISTERED OFFICE:

One Prospect West
Chippenham
Wiltshire
SN14 6FH
United Kingdom

REGISTERED NUMBER:

07312805 (England and Wales)

PRINCIPAL BANKERS:

Barclays Bank Plc
1 Churchill Place
Canary Wharf
London
E14 5HP
United Kingdom

VECTURA GROUP INVESTMENTS LIMITED
DIRECTORS' REPORT FOR THE YEAR PERIOD ENDED 31 DECEMBER 2019

The Directors present their report on the affairs of the Company for the year ended 31 December 2019. This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

PRINCIPAL ACTIVITY

The principal activity of the Company in the year under review was that of a non-trading holding company.

IMMEDIATE AND ULTIMATE PARENT UNDERTAKING

Vectura Group Investments Limited ("the Company") is a wholly-owned subsidiary of Vectura Group plc. In June 2019, Vectura Group plc, sold its entire shareholding in the Company, to the fellow subsidiary Vectura Group Services Limited. Details about the transaction are provided in note 34 to the Group's Annual Report and Accounts. As a result of this transaction the Company's immediate parent undertaking is Vectura Group Services Limited. The Company's ultimate parent undertaking remains Vectura Group plc.

GOING CONCERN

As a non-trading holding company, the Company's financing requirements are to support the activities of its investments. On this basis, and on the basis of current financial projections, and after making due enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue to operate for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the report and financial statements.

Management has assessed the outbreak of COVID-19 in 2020 and, at present, there is no indication of any adverse financial impact on the measurement of assets and liabilities.

DIVIDENDS

The Directors do not recommend the payment of a dividend (2018: nil).

DIRECTORS

The Directors who held office during the year were as follows:

P Fry (appointed 30 June 2019)

J Murphy

J Ward-Lilley (resigned 30 June 2019)

Will Downie was appointed as a director on 5 February 2020. John Murphy resigned as a director on the same date.

The parent company has granted an indemnity to its Directors against liability in respect of any proceedings brought by third parties, which remains in force as at the date of approving the Directors' Report. All costs in relation to the Directors' remuneration are met by other entities within the Group. The Directors do not receive any remuneration for services provided to the Company.

POLITICAL AND CHARITABLE DONATIONS

No political or charitable donations were made (2018: nil).

EXEMPTION FROM AUDIT OR DORMANT COMPANIES

For the year ending 31 December 2019, the company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies. The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

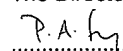
The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

POST BALANCE SHEET EVENTS

In the first half of 2020, the COVID-19 virus spread worldwide. In common with many other countries, the UK government issued guidance and restrictions on the movement of people designed to slow the spread of this virus. The recent and rapid development of the COVID-19 outbreak has required many entities to limit or suspend business operations. These measures and policies introduced have significantly disrupted the activities of many entities. As the outbreak continues to progress and evolve, it is challenging to predict the full extent and duration of its business and economic impact.

Management has assessed the outbreak of COVID-19 in 2020 as a non-adjusting post balance sheet event. At present there is no indication that any adverse financial reporting impacts, such as the impairment of investments has occurred post balance sheet; management is continuously monitoring the developments of COVID-19 and provide action as needed.

The Director's Report has been approved and signed on behalf of the Board by:



Paul Fry
Director

4 June 2020

VECTURA GROUP INVESTMENTS LIMITED
STATEMENT OF DIRECTORS RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2019

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 estimates that are reasonable and prudent;
- assess the 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 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.

VECTURA GROUP INVESTMENTS LIMITED
BALANCE SHEET AS AT 31 DECEMBER 2019

BALANCE SHEET AS AT 31 DECEMBER 2019

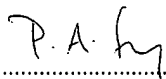
		31 December 2019	31 December 2018
	Note	£m	£m
NON-CURRENT ASSETS			
Investments	4	140.0	140.0
TOTAL AND NET ASSETS		140.0	140.0
SHAREHOLDERS EQUITY			
Called up share capital	7	-	-
Share Premium		125.7	125.7
Other reserves		14.3	14.3
TOTAL EQUITY		140.0	140.0

The directors:

- confirm that the Company the company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies, for the year ending 31 December 2019;
- confirm that members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

During the current and comparative periods, the Company did not trade and received no income and incurred no expenditure (other than recorded directly in the statement of changes in equity). Consequently, the Company made neither a profit or a loss, nor any other recognised gains or losses and has not produced an Income Statement or statement of other comprehensive income for the period.

The financial statements of Vectura Group Investments Limited, registered number 07312805, were approved and authorised for issue by the Board of Directors and were signed on its behalf by:



Paul Fry
Director
4 June 2020

VECTURA GROUP INVESTMENTS LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Share capital £m	Share premium £m	Retained earnings £m	Total equity £m
As at 1 January 2018		—	125.7	14.3	140.0
Capital contribution from Parent		—	—	22.0	22.0
Capital contribution to Innovata Limited		—	—	(22.0)	(22.0)
As at 31 December 2018		—	125.7	14.3	140.0
As at 31 December 2019	5	—	125.7	14.3	140.0

On 21 June 2019, Vectura Group plc, the immediate parent entity until this date, sold its investment in Vectura Group Investments Limited, to a subsidiary, Vectura Group Services Limited. Details about the transaction are provided in note 34 to the Group's Annual Report and Accounts.

Allotted, issued and fully paid up share capital of 1,000 ordinary shares (2018: 1,000) with a par value of £1 (2018: £1) each are held by the Company's immediate parent undertaking Vectura Group Services Limited (2018: Vectura Group plc).

In May 2018 a capital contribution received from Vectura Group plc of £22.0m was passed through at nil gain or loss by the Company to its subsidiary Innovata Limited. As this transaction was part of a series of linked transactions that were ultimately designed to fund the Company subsidiary, Vectura Limited, then no corresponding increase in Innovata Limited is presented.

1. General information

Vectura Group Investments Limited (the "Company") is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales and is a wholly-owned subsidiary of Vectura Group plc. The address of the registered office is One Prospect West, Chippenham, Wiltshire, SN14 6FH.

The Company was established as a holding company and, as such, has not traded during the year. The Directors believe it will continue to be a holding company and are not aware, at the date of this report, of any additional changes in the Company's activity in the forthcoming year.

These financial statements are presented in sterling rounded to the nearest £0.1m unless otherwise stated. The presentational and functional currency is sterling being, the primary currency of the UK economic environment. Details of the ultimate parent entity are provided in note 8.

These financial statements are separate financial statements. The smallest and largest Group to consolidate Vectura Group Investments Limited is Vectura Group plc. The Company is exempt from the preparation and delivery of consolidated financial statements, because it is included in the Group accounts of Vectura Group plc.

2. Basis of preparation

The Company is a qualifying entity for the purposes of FRS 101 which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

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

- A Cash Flow Statement and related notes
- Comparative period reconciliations for fixed assets
- Certain disclosures in respect of transactions with wholly owned subsidiaries ;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel;
- Disclosures of transactions with a management entity that provides key management personnel services; and
- An additional balance sheet for the beginning of the earliest comparative period following retrospective change in accounting policy, the correction of error, or the reclassification of items in the financial statements.

Disclosure exemptions are taken where the relevant disclosure requirements are met in the consolidated financial statements, even where the disclosures are made in aggregate or in an abbreviated form, or, in relation to intra-group balances, those intra-group balances have been eliminated on consolidation.

Going concern

As a non-trading holding company, the Company's financing requirements are to support the activities of its investments. On this basis, and on the basis of current financial projections, and after making due enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue to operate for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the report and financial statements.

Management has assessed the outbreak of COVID-19 in 2020 and, at present, there is no indication of any adverse financial impact on the measurement of assets and liabilities.

New Accounting Standards adopted in this period

A number of new amendments are effective from 1 January 2019 in relation to IFRS 16 - Leases, IFRIC 23 - Uncertainty over Income Tax Treatment, IAS 28 - Investments in Associates, IAS 19 - Employee Benefits, IFRS 3 - Business Combinations, IAS 1 - Presentation of Financial Statements and IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors and IFRS 9 - Financial Instruments, but they do not have a material effect on the Company's financial statements.

Details about future material changes to accounting policies are provided in note 32 to the Group's Annual Report and Accounts.

3. Critical accounting policies

Impairment of investments

At each balance sheet date, the Company reviews the carrying amounts of its investments to determine whether there is any indication that they have suffered an impairment loss. If any such indication exists, the recoverable amount of the investment is estimated to determine the extent of the impairment loss (if any).

Where the investment does not generate cash flows that are independent from other investments, the Company estimates the recoverable amount of the cash-generating unit to which the investment 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 for the time value of money and the risks specific to the investment for which the estimates of future cash flows have not been adjusted.

Impairment losses on continuing operations are recognised in the statement of comprehensive income in those categories consistent with the function of the impaired investment. An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased and need to be reversed.

4. Investments in subsidiary undertakings

Fixed asset investments are shown at cost, less provisions for any impairment in value.

	Vectura Delivery Devices Limited	Vectura Limited	Total equity
	£m	£m	£m
Net book value 31 December 2019	2.0	138.0	140.0

In May 2018 a capital contribution received from Vectura Group plc of £22.0m was passed through at nil gain or loss to Innovata Limited. As this transaction was part of a series of linked transactions that were ultimately designed to fund Vectura Limited then no corresponding increase in Innovata Limited is presented.

Details of the Company's subsidiary and related undertakings are listed below. Unless otherwise stated the share capital disclosed comprises ordinary shares which are indirectly held by the Company.

Name of undertaking	Country of in- corporation	Holding	Address	Proportion held	Nature of Business
Vectura Delivery Devices Limited	England	Ordinary	A	100%	Pharmaceuticals
Vectura Limited	England	Ordinary	A	100%	Pharmaceuticals
Innovata Limited	England	Ordinary	A	100%	Holding Company
Innovata Biomed Limited ¹	Scotland	Ordinary	B	100%	Dormant
Quadrant Drug Delivery Limited ²	England	Ordinary	A	100%	Dormant
Innovata HK Limited ³	Hong Kong	Ordinary	C	82.4%	Holding Company
Quadrant Technologies Limited ¹	England	Ordinary	A	100%	Dormant
Quadrant Healthcare Limited ⁴	England	Ordinary	A	100%	Dormant
QDose Limited ⁵	England	Ordinary	A	50%	Dormant

¹A subsidiary of Innovata Limited. ²A subsidiary of Quadrant Technologies Limited. ³An associate of Innovata Biomed Limited. ⁴A subsidiary of Quadrant Drug Delivery Limited. ⁵A subsidiary of Quadrant Healthcare Limited.

A- Consistent with the Company. B - 2ND Floor North, Saltire Court, 20 Castle Terrace, Edinburgh EH1 2EN C - Unit 1802, 18/F., Asia Trading Centre, 79 Lei Muk Road, Kwai Chung, N.T., Hong Kong

5. Distribution capacity

The capacity of the Company to make dividend or distribution payments is primarily determined by the availability of distributable reserves (realised retained earnings) and cash resources.

In 2017, a £14.3m gain was received on a dividend in specie from Innovata Limited, which was treated as an unrealised profit for the Company as it was immediately re-invested to Vectura Limited. If, in future periods, qualifying consideration is received from Vectura Limited, the unrealised profit would be treated by the Company as becoming realised for the purpose of an onward distribution to the parent company, Vectura Group plc, under section 846 of the Companies Act 2006.

6. Called up share capital

Allotted, issued and fully paid:

Number	Class	Nominal value	2018 £'000	2017 £'000
1,000	Ordinary	£1	1	1

7. Ultimate parent company

The Company is a subsidiary undertaking of Vectura Group Services Limited. The Company's ultimate parent undertaking and ultimate controlling party is Vectura Group plc, a company incorporated in England and Wales. Vectura Group plc is both the smallest and largest entity to consolidate the results of the Company.

The consolidated financial statements for Vectura Group plc are available within the investors section of the Group's corporate website www.vectura.com/investors/financial-reports and from Vectura Group plc, One Prospect West, Chippenham, Wiltshire, SN14 6FH.

8. Post balance sheet events

In the first half of 2020, the COVID-19 virus spread worldwide. In common with many other countries, the UK government issued guidance and restrictions on the movement of people designed to slow the spread of this virus. The recent and rapid development of the COVID-19 outbreak has required many entities to limit or suspend business operations. These measures and policies introduced have significantly disrupted the activities of many entities. As the outbreak continues to progress and evolve, it is challenging to predict the full extent and duration of its business and economic impact.

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