

**INCEPTUA LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**



**Slaven Jeffcote LLP**  
Chartered Certified Accountants & Statutory Auditor  
1 Lumley Street  
Mayfair  
London  
W1K 6TT

# INCEPTUA LIMITED

## COMPANY INFORMATION

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### Directors

Mr M E Corbett (Appointed 4 June 2018)  
Mr K M Brosz (Appointed 17 October 2018)  
Mr A M Raffensperger (Appointed 17 October 2018)  
Mr G J Scarle (Appointed 17 October 2018)

### Secretary

Praxis Secretaries (UK) Limited

### Company number

07735749

### Registered office

Vista  
2 William Street  
Windsor  
Berkshire  
SL4 1BA

### Auditor

Slaven Jeffcote LLP  
5th Floor, 1 Lumley Street  
Mayfair  
London  
W1K 6TT

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# INCEPTUA LIMITED

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# **INCEPTUA LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2018**

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The directors present the strategic report and financial statements for the year ended 31 December 2018.

#### **Review of the business**

The performance for the financial year 2018 has been consistent with the budget and a number of successful projects executed.

The reported income including inter-company revenue was £12.74 million (previous year £7.48 million). The pre-tax loss stands at £3,048,413 (previous year profit £34,325)

The main areas of focus are:

- Comparator sourcing business
- Medicines Access business

The comparator sourcing business is primarily dependant on the group's strategy. Increased turnover for the year considered is related to moving customer base of the entire holding. This has very limited impact on the actual company's performance as the company acts as sourcing or distributing entity. While comparator sourcing shows signs of stable, slow development, alongside with the group, the MA business is being constantly developed. 2018 was the first year with proven sales. The business continued to win customers, primarily among mid-sized pharma companies. The main focus was to streamline as many programs as possible. At the same time, the company decided to discontinue the Medicines Access Healthcare division and concentrate on programs only.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The management believes that there may be following risks which can influence the business:

1. Unfavourable unlicensed pharma regulation. Introducing this regulation could jeopardize the business in certain countries. The company operates primarily in Europe, it is unlikely that this regulation is adopted by the EU, however, the prospects also include US market but it is unlikely that this risk will occur.
2. Brexit poses a direct risk on operations of MA and CTS. This risk is connected to uncertain regulations on VAT and customs. The company mitigates the risk by registering for Dutch and Belgian VAT numbers, on the other hand, the company's international setup allows to gain competitive advantage compared to the competition.

#### **EXPOSURE TO PRICE, CREDIT, LIQUIDITY AND CASH FLOW RISK**

The potential exposure for price and liquidity variances is mitigated by the overseeing holding company. Inceptua SA, the shareholder of the company, under the provisions of the cost allocation agreement, is obligated to cover the shared service expenses and function related expenses of the company.

#### **FUTURE DEVELOPMENT**

The company, as part of the holding is taking part in the development and implementation of the ERP system.

The functionalities of the system will allow to integrate and unify the accounting rules across the organization and also allow to monitor and closely control the country-specific occurrences.

The challenge for the implementation is to attain fully functional and consistent reporting platform. The management is implementing specific measures to achieve this.

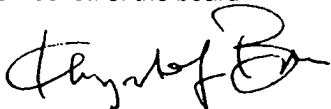
# INCEPTUA LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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On behalf of the board



Mr K M Brosz

**Director**

21 November 2019

# INCEPTUA LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2018

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The directors present their annual report and financial statements for the year ended 31 December 2018.

#### Principal activities

The principal activity of the company is the supply of pharmaceuticals for clinical trial purposes.

#### Results and dividends

The results for the year are set out on page 7.

No 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:

Ms M K Goetsch	(Resigned 17 August 2018)
Mr P Reichart	(Resigned 17 August 2018)
New Cavendish Management Limited	(Resigned 17 October 2018)
Mr M E Corbett	(Appointed 4 June 2018)
Mr K M Brosz	(Appointed 17 October 2018)
Mr A M Raffensperger	(Appointed 17 October 2018)
Mr G J Scarle	(Appointed 17 October 2018)

#### Supplier payment policy

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Trade creditors of the company at the year end were equivalent to 60 day's purchases, based on the average daily amount invoiced by suppliers during the year.

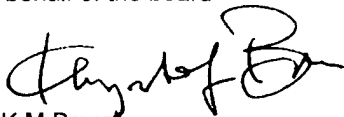
#### Auditor

In accordance with the company's articles, a resolution proposing that Slaven Jeffcote LLP be reappointed as auditor of the company will be put at a 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, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



Mr K M Brosz

Director

21 November 2019

# **INCEPTUA LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018**

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The directors are responsible for preparing the Annual 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# INCEPTUA LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INCEPTUA LIMITED

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### Opinion

We have audited the financial statements of Inceptua Limited (the 'company') for the year ended 31 December 2018 which comprise the income statement, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *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.

### Emphasis of matter relating to going concern

Without qualifying our opinion we draw your attention to note 1.3 to the financial statements which indicates the company's ability to continue as a going concern, notwithstanding that the company has incurred a net loss of £3,048,413 during the year ended 31 December 2018 and as at the end of the year total liabilities exceeded total assets by £3,281,269.

As detailed in note 1.3 to the financial statements the company's ability to continue as a going concern is dependent upon the continuing support of the parent company. The financial statements do not include any adjustments if the going concern basis is no longer appropriate.

### Other information

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

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 our 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.

# INCEPTUA LIMITED

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

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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 strategic report and the directors' report.

We have nothing to report in respect of the following matters where 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, 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.

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.



**Stephen Terence Costar FCCA (Senior Statutory Auditor)**  
for and on behalf of Slaven Jeffcote LLP

21 November 2019

**Chartered Certified Accountants**  
**Statutory Auditor**

5th Floor, 1 Lumley Street  
Mayfair  
London  
W1K 6TT

# INCEPTUA LIMITED

## INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	2017 £
Revenue	2	6,172,691	6,094,648
Cost of sales		(6,130,081)	(5,977,938)
<b>Gross profit</b>		<b>42,610</b>	<b>116,710</b>
Administrative expenses	3	(9,613,144)	(1,445,851)
Other operating income		6,563,857	1,386,257
<b>Operating (loss)/profit</b>	4	<b>(3,006,677)</b>	<b>57,116</b>
Finance costs	7	(41,736)	(22,791)
<b>(Loss)/profit before taxation</b>		<b>(3,048,413)</b>	<b>34,325</b>
Tax on (loss)/profit		-	-
<b>(Loss)/profit and total comprehensive income for the financial year</b>	15	<b>(3,048,413)</b>	<b>34,325</b>

The income statement has been prepared on the basis that all operations are continuing operations.

# INCEPTUA LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

	Notes	2018 £	2017 £
<b>Non-current assets</b>			
Property, plant and equipment	8	225,636	236,849
<b>Current assets</b>			
Inventories	9	66,104	48,472
Trade and other receivables	10	8,061,256	2,422,773
Cash and cash equivalents		234,423	713,198
		8,361,783	3,184,443
<b>Current liabilities</b>			
Borrowings	11	16,277	10,044
Trade and other payables	12	11,778,252	3,611,054
Taxation and social security		74,159	33,050
		11,868,688	3,654,148
<b>Net current liabilities</b>		(3,506,905)	(469,705)
<b>Total assets less current liabilities</b>		(3,281,269)	(232,856)
<b>Net liabilities</b>		(3,281,269)	(232,856)
<b>Equity</b>			
Called up share capital	14	100,000	100,000
Retained earnings	15	(3,381,269)	(332,856)
<b>Total equity</b>		(3,281,269)	(232,856)

The financial statements were approved by the board of directors and authorised for issue on 21 November 2019 and are signed on its behalf by:



Mr M E Corbett  
Director

Company Registration No. 07735749

# INCEPTUA LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

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	Share capital £	Retained earnings £	Total £
As restated for the period ended 31 December 2017:			
Balance at 1 January 2017	100,000	(367,181)	(267,181)
As restated	100,000	(367,181)	(267,181)
Year ended 31 December 2017:			
Profit and total comprehensive income for the year	-	34,325	34,325
Balances at 31 December 2017	100,000	(332,856)	(232,856)
Year ended 31 December 2018:			
Loss and total comprehensive income for the year	-	(3,048,413)	(3,048,413)
Balances at 31 December 2018	100,000	(3,381,269)	(3,281,269)

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# INCEPTUA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1 Accounting policies

##### Company information

Inceptua Limited is a private company limited by shares incorporated in England and Wales. The registered office is Vista, 2 William Street, Windsor, Berkshire, SL4 1BA.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

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 £.

The financial statements have been prepared on the historical cost basis, except for the revaluation of . The principal accounting policies adopted are set out below.

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based Payment;
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations. Equivalent disclosures are included in the consolidated financial statements of Multipharma SA, Luxembourg in which the entity is consolidated;
- the requirements of paragraph 33 (c) of IFRS 5 Non current Assets Held for Sale and Discontinued Operations;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of: (i) paragraph 79(a) (iv) of IAS 1, (ii) paragraph 73(e) of IAS 16 Property Plant and Equipment (iii) paragraph 118 (e) of IAS 38 Intangibles Assets, (iv) paragraphs 76 and 79(d) of IAS 40 Investment Property and (v) paragraph 50 of IAS 41 Agriculture;
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 39 to 40 ,111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member ; and
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to share based payments, financial instruments, capital management, presentation of a cash flow statement, presentation of comparative information in respect of certain assets, standards not yet effective, impairment of assets, business combinations, discontinued operations and related party transactions.

Where required, equivalent disclosures are given in the group accounts of Multipharma SA, Luxembourg. The group accounts of Multipharma SA, Luxembourg are available to the public and can be obtained as set out in note 19.

#### 1.2 Change in accounting estimate

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, (except as otherwise stated).

# INCEPTUA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 Accounting policies

(Continued)

#### 1.3 Going concern

These financial statements are prepared on the going concern basis. The directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future. However, the directors are aware of certain material uncertainties which may cause doubt on the company's ability to continue as a going concern.

The company incurred a net loss during the year of £3,048,413 and as at the year end date total liabilities exceeded total assets by £3,281,269.

At the time of approving the financial statements, the directors have a reasonable expectation that the company will continue to receive financial support from the parent company, including covering losses and any potential impairments. Therefore the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.4 Revenue

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale 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.

Revenue from contracts for the provision of support services is recognised by reference to agreements in place based on pre agreed terms and specific transfer pricing arrangements.

#### 1.5 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:

Fixtures, fittings & equipment	20% straight line
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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 recognised in the income statement.

#### 1.6 Impairment of tangible and intangible assets

At each reporting 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.

# INCEPTUA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1 Accounting policies

(Continued)

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.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.7 Inventories

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell after adjusting for obsolescence and slow moving items.

#### 1.8 Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The company is exempt under FRS 101 from the disclosure requirements of IFRS 13. There was no impact on the company from the adoption of IFRS 13.

#### 1.9 Cash and cash equivalents

Cash and cash equivalents 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. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.10 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

##### **Financial assets held at amortised cost**

Trade Receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

# INCEPTUA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 Accounting policies

(Continued)

#### ***Impairment of financial assets***

Financial assets, other than those measured at fair value through profit or 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 of the investment have been affected.

#### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

#### **1.11 Financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### ***Other financial liabilities***

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

#### ***Derecognition of financial liabilities***

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

#### **1.12 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### **1.13 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 inventories 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.

#### **1.14 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

# INCEPTUA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

### 1 Accounting policies

(Continued)

#### 1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

### 2 Revenue

A split of turnover by geographical markets has been omitted as the Board of Directors are of the opinion that this information would be prejudicial to the company's interests.

	2018 £	2017 £
<b>Revenue analysed by class of business</b>		
Sales - Inter Company	5,851,181	5,333,765
Sales Pharmaceuticals	313,693	738,439
Sales Other	7,817	22,444
	<u>6,172,691</u>	<u>6,094,648</u>

### 3 Inter-company support services

Included in administrative expenses is an amount of £6,605,627 (2017- £69,975) which recognises shared inter-company costs within the group based on formally agreed transfer pricing arrangements.

### 4 Operating (loss)/profit

	2018 £	2017 £
Operating (loss)/profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(92)	16,917
Fees payable to the company's auditor for the audit of the company's financial statements	10,000	6,000
Depreciation of property, plant and equipment	56,072	14,435
Cost of inventories recognised as an expense	6,076,461	5,977,938
Write downs of inventories recognised as an expense	53,620	-
	<u>6,192,061</u>	<u>6,005,290</u>

### 5 Employees

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

	2018 Number	2017 Number
Employee (including directors)	<u>15</u>	<u>7</u>

# INCEPTUA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

### 5 Employees

(Continued)

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	1,922,584	848,603
Social security costs	228,082	102,618
Pension costs	56,595	32,161
	<u>2,207,261</u>	<u>983,382</u>

### 6 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	131,667	-
Company pension contributions to defined contribution schemes	6,583	-
	<u>138,250</u>	<u>-</u>

### 7 Finance costs

	2018 £	2017 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	41,736	22,791
	<u>41,736</u>	<u>22,791</u>

### 8 Property, plant and equipment

	Fixtures, fittings & equipment £
<b>Cost</b>	
At 31 December 2017	255,277
Additions	44,859
	<u>300,136</u>
At 31 December 2018	
<b>Accumulated depreciation and impairment</b>	
At 31 December 2017	18,428
Charge for the year	56,072
	<u>74,500</u>
At 31 December 2018	

# INCEPTUA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

### 8 Property, plant and equipment

(Continued)

	Fixtures, fittings & equipment £
<b>Carrying amount</b>	
At 31 December 2018	225,636
At 31 December 2017	236,849

### 9 Inventories

2018	2017
£	£

Finished goods	66,104	48,472
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### 10 Trade and other receivables

2018	2017
£	£

Trade receivables	2,577,396	443,444
Other receivables	157,796	1,572,798
Prepayments & accrued income	5,326,064	406,531
	8,061,256	2,422,773

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

Included in prepayments & accrued income is an amount of £5,289,158 owed by fellow group undertakings.

### 11 Borrowings

2018	2017
£	£

#### Unsecured borrowings at amortised cost

Bank overdrafts	16,277	10,044
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#### Analysis of borrowings

Borrowings are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2018 £	2017 £
Current liabilities	16,277	10,044

# INCEPTUA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

### 12 Trade and other payables

	2018 £	2017 £
Trade payables	1,015,666	485,617
Amount due group undertakings	7,731,472	1,904,433
Amounts owed to fellow group undertakings	1,251,763	843,410
Accruals	1,627,861	309,596
Other payables	151,490	67,998
	<u>11,778,252</u>	<u>3,611,054</u>

Included in amounts due to group undertakings is a loan from the parent company which bears interest of 5% pa.

### 13 Retirement benefit schemes

#### Defined contribution schemes

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.

The total costs charged to income in respect of defined contribution plans is £56,595 (2017 - £32,161).

### 14 Share capital

	2018 £	2017 £
<b>Ordinary share capital</b>		
<b><i>Issued and fully paid</i></b>		
100,000 Ordinary of £1 each	<u>100,000</u>	<u>100,000</u>

### 15 Retained earnings

	2018 £	2017 £
Effect of transition	-	-
At the beginning of the year	(332,856)	(367,181)
(Loss)/profit for the year	<u>(3,048,413)</u>	<u>34,325</u>
At the end of the year	<u>(3,381,269)</u>	<u>(332,856)</u>

### 16 Events after the reporting date

No significant events occurred between the balance sheet closing date and the date of the approval of the annual accounts.

# INCEPTUA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

### 17 Related party transactions

#### Remuneration of key management personnel

The remuneration of the directors, who are key management personnel, is set out below in aggregate for each of the categories specified in IAS 24 *Related Party Disclosures*.

	2018 £	2017 £
Short-term employee benefits	155,450	-

#### Other transactions with related parties

Inceptua S.A owns 100% of the shares in Inceptua Limited.

During the year the following transactions took place : -

Inceptua Limited made inter-company sales amounting to £5,851,180 (2017: £5,333,765) to Inceptua S.A.

Purchases on behalf of group companies of £175,558 (2017 - £560,353) were made in the year.  
Included in creditors is a balance owed to Inceptua S.A. of £1,251,524 (2017 - £843,410) which bears interest of 5%.

Under formal transfer pricing arrangements income in respect of group support services total £6,563,657 (2017 - £1,385,932) and costs in respect of group support services total £6,605,627 (2017 - £69,975).

Other amounts owed by and owed to fellow group undertakings have been included as shown in notes 10 and 12 to the financial statements.

### 18 Controlling party

The ultimate controlling party is Inceptua SA, Luxembourg.

### 19 Transition adjustments

#### Reconciliation of equity

	1 January 2017 £	31 December 2017 £
Equity as previously reported	(267,181)	(232,856)

#### Reconciliation of profit for the financial period

	2017 £
Profit as previously reported and after transition	34,325

# INCEPTUA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

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### 19 Transition adjustments

(Continued)

#### Notes to reconciliations

The financial statements for the year ended 31 December 2018 are the first financial statements of Inceptua Limited prepared in accordance with International Financial Reporting Standards (IFRS). The date of transition to IFRS from FRS 102 was 1 January 2018. The reported financial position and financial performance for the previous period are not affected by the transition to IFRS.