

Company registration number 07735749 (England and Wales)

**INCEPTUA LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

# INCEPTUA LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr A H Raffensperger Mr G J Scarle Mr J T J Broadis
<b>Secretary</b>	Praxis Secretaries (UK) Limited
<b>Company number</b>	07735749
<b>Registered office</b>	Vista 2 William Street Windsor Berkshire SL4 1BA
<b>Auditor</b>	Candour Advisory LLP 48 Warwick Street London W1B 5AW

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# **INCEPTUA LIMITED**

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# INCEPTUA LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2022

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The directors present the strategic report for the year ended 31 December 2022.

#### Review of the business

The performance for the financial year 2022 has been consistent with the budget and a number of successful projects executed. The reported income including inter-company revenue was £32.9 million (2021 : £17.3 million). The pre-tax loss stands at £241,152 (2021 : £234,866)

Throughout 2022 the company remained active on the market of comparator sourcing (CTS). Additionally, the company continued developing two additional business units – Early Access (EA) since 2017 and Inceptua Pharma (IP) since 2018. The new business units aim at exploring the market possibilities regarding the entire spectrum of the medicines life-cycle. EA will develop Inceptua's capabilities in supplying unlicensed medicines, while IP will offer commercialization services.

The company is in good shape and maintains its competitive advantage on the market.

#### Principal risks and uncertainties

The management believes that there the following risks are still relevant and can influence the business:

The CTS and EA business units are both highly competitive in winning business versus other service providers. The company believes that they are well positioned versus competitors in terms of the quality of service, value and price charged, but nonetheless the risk remains of the loss of both existing and future business.

#### 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.

The Company has historically used various financial instruments that include group loans, cash and working capital items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is for the day-to-day operations. Day-to-day operations are financed through a combination of cash resources and working capital.

The Company manages financial risk by ensuring sufficient liquidity is available to meet foreseeable needs.

#### Development and performance

We are confident that the evolution of the company will continue to be favorable in the future. We are continuing to develop both new and existing customer relationships in CTS as well as building on the successful establishment of our EA business with new programmes.

# **INCEPTUA LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2022***

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### **Other information and explanations**

Since the beginning of 2020, Europe has been facing a global pandemic due to the novel coronavirus (COVID-19). The COVID pandemic continues to create challenges for businesses globally. To date there has been no net negative impact of COVID on the Inceptua business

The robust nature of the company's business has meant we have suffered little to no negative impact from the Pandemic, and therefore no consequences in connection with this health crisis have been taken into account in the annual financial statements as of December 31st, 2022.

As of June 2023, the company has continued to perform well.

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

On behalf of the board

Mr J T J Broadis  
**Director**

3 July 2023

# **INCEPTUA LIMITED**

## **DIRECTORS' REPORT**

### ***FOR THE YEAR ENDED 31 DECEMBER 2022***

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

#### **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 8.

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:

Mr A H Raffensperger

Mr G J Scarle

Mr J T J Broadis

#### **Supplier payment policy**

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

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 (including inter company balances) of the company at the year end were equivalent to 136 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 Candour Advisory LLP be reappointed as auditor of the company will be put at a General Meeting.

# INCEPTUA LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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### Statement of directors' responsibilities

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.

### 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 J T J Broadis  
**Director**

3 July 2023

# INCEPTUA LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBER 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 2022 which comprise the income statement, 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 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 2022 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 the provisions available for small entities, in the circumstances set out in note 20 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

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

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

### Other information

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

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of 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 MEMBER 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 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 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- Enquiries were made of management relating to the key laws and regulations considered as being of significance to the reporting entity.
- Enquiry of management, those charged with governance and the entity's solicitors (or in-house legal team) around actual and potential litigation and claims.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business. Also reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- We obtained an understanding of the entity's policies and procedures on compliance affecting the pharmaceutical business including documentation of any instances of non-compliance.
- We made enquiries to obtain an understanding of the entity's policies and procedures on fraud risks, including knowledge of any actual, suspected or alleged fraud.
- We undertook a review of a range of transactions and reviewed underlying documentation associated with these being mindful of discrepancies and potential errors, and made necessary enquiries of informed management in relation to the same.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## **INCEPTUA LIMITED**

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

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#### **Use of our report**

This report is made solely to the company's member 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 member, those matters we are required to state to the member 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 member, for our audit work, for this report, or for the opinions we have formed.

**Stephen Terence Costar FCCA (Senior Statutory Auditor)**  
**For and on behalf of Candour Advisory LLP**

6 July 2023

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

48 Warwick Street  
London  
W1B 5AW

# INCEPTUA LIMITED

## INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Revenue	2	28,767,082	16,065,761
Cost of sales		(26,813,641)	(14,291,069)
<b>Gross profit</b>		<b>1,953,441</b>	<b>1,774,692</b>
Administrative expenses		(6,328,887)	(3,240,994)
Other operating income		4,164,040	1,265,875
<b>Operating loss</b>	3	<b>(211,406)</b>	<b>(200,427)</b>
Investment income	6	-	7,150
Finance costs	7	(29,746)	(41,589)
<b>Loss before taxation</b>		<b>(241,152)</b>	<b>(234,866)</b>
Tax on loss		-	-
<b>Loss and total comprehensive income for the financial year</b>	17	<b>(241,152)</b>	<b>(234,866)</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 2022

	Notes	2022 £	£	2021 £	£
<b>Non-current assets</b>					
Property, plant and equipment	8		38,632		76,506
Right-of-use assets	8		366,949		65,771
			<u>405,581</u>		<u>142,277</u>
<b>Current assets</b>					
Inventories	9	380,166		409,636	
Trade and other receivables	10	9,239,814		9,496,744	
Cash and cash equivalents		2,143,478		839,208	
		<u>11,763,458</u>		<u>10,745,588</u>	
<b>Current liabilities</b>					
Borrowings	12	-		5,575	
Trade and other payables	13	14,414,902		12,481,484	
Taxation and social security		109,351		878,156	
Lease liabilities	14	74,331		70,141	
		<u>14,598,584</u>		<u>13,435,356</u>	
<b>Net current liabilities</b>			(2,835,126)		(2,689,768)
<b>Total assets less current liabilities</b>			(2,429,545)		(2,547,491)
<b>Non-current liabilities</b>	11		(359,098)		-
<b>Net liabilities</b>			<u>(2,788,643)</u>		<u>(2,547,491)</u>
<b>Equity</b>					
Called up share capital	16	100,000		100,000	
Retained earnings	17	(2,888,643)		(2,647,491)	
<b>Total equity</b>		<u>(2,788,643)</u>		<u>(2,547,491)</u>	

The financial statements were approved by the board of directors and authorised for issue on 3 July 2023 and are signed on its behalf by:

Mr J T J Broadis  
Director

Company registration number 07735749

# INCEPTUA LIMITED

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

	Share capital	Retained earnings	Total
	£	£	£
Balance at 1 January 2021	100,000	(2,412,625)	(2,312,625)
Year ended 31 December 2021:			
Loss and total comprehensive income for the year	-	(234,866)	(234,866)
Balance at 31 December 2021	100,000	(2,647,491)	(2,547,491)
Year ended 31 December 2022:			
Loss and total comprehensive income for the year	-	(241,152)	(241,152)
Balance at 31 December 2022	100,000	(2,888,643)	(2,788,643)

# INCEPTUA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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

#### 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 under the historical cost convention. 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 Inceptua SA, Luxembourg. The group accounts of Inceptua SA, Luxembourg are available to the public and can be obtained as set out in note 19.

# INCEPTUA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

#### 1.2 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 not aware of any material uncertainties which may cause doubt on the company's ability to continue as a going concern.

The company reported a loss during the year of £241,152 (2021 : Loss £234,866) and as at the year end date total liabilities exceeded total assets by £2,788,643 (2021 : £2,547,491 ).

At the time of approving the financial statements, the directors have reviewed the company order book together with up to date management information and in doing so the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

This statement is also based on the assurances received from the parent company Inceptua SA that the company will receive financial support to the fullest extent including covering any losses and potential asset impairments to maintain its trading activities.

#### 1.3 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.

#### 1.4 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
Leasehold Property	20% 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 recognised in the income statement.

#### 1.5 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 2022

### 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.

#### 1.6 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.

#### 1.7 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.

#### 1.8 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.

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

Financial assets carried at amortised cost and FVOCI are assessed for indicators of impairment at each reporting end date.

The expected credit losses associated with these assets are estimated on a forward-looking basis. A broad range of information is considered when assessing credit risk and measuring expected credit losses, including past events, current conditions, and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.



# INCEPTUA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

#### ***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.

#### **1.9 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.

#### **1.10 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.

#### **1.11 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.

#### **1.12 Retirement benefits**

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

#### **1.13 Leases**

At inception, the company assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the company recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within property, plant and equipment, apart from those that meet the definition of investment property.

# INCEPTUA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs and an estimate of the cost of obligations to dismantle, remove, refurbish or restore the underlying asset and the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of other property, plant and equipment. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee, and the cost of any options that the company is reasonably certain to exercise, such as the exercise price under a purchase option, lease payments in an optional renewal period, or penalties for early termination of a lease.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in: future lease payments arising from a change in an index or rate; the company's estimate of the amount expected to be payable under a residual value guarantee; or the company's assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less, or for leases of low-value assets including IT equipment. The payments associated with these leases are recognised in profit or loss on a straight-line basis over the lease term.

#### 1.14 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 in the period are included in profit or loss.

### 2 Revenue

An analysis of the company's revenue is as follows:

	2022 £	2021 £
<b>Revenue analysed by class of business</b>		
Sales - Inter Company	16,625,898	12,187,459
Sales - Pharmaceuticals	9,785,417	1,463,015
Sales - Services	2,346,571	2,409,046
Sales - Other	9,196	6,241
	<u>28,767,082</u>	<u>16,065,761</u>

# INCEPTUA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 2 Revenue

(Continued)

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, however the large majority of the company's income is derived from intercompany trading and is largely European and UK based.

### 3 Operating loss

	2022	2021
	£	£
Operating loss for the year is stated after charging/(crediting):		
Exchange gains	(340,969)	(42,917)
Fees payable to the company's auditor for the audit of the company's financial statements	12,250	11,950
Depreciation of property, plant and equipment	176,871	150,605
Cost of inventories recognised as an expense	26,813,641	14,291,069
	<u>                    </u>	<u>                    </u>

### 4 Employees

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

	2022	2021
	Number	Number
Employee (including directors)	23	20
	<u>                    </u>	<u>                    </u>

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	2,276,147	2,131,551
Social security costs	349,283	275,503
Pension costs	85,210	78,692
	<u>                    </u>	<u>                    </u>
	2,710,640	2,485,746
	<u>                    </u>	<u>                    </u>

### 5 Directors' remuneration

	2022	2021
	£	£
Remuneration for qualifying services	444,705	455,654
Company pension contributions to defined contribution schemes	6,931	6,705
	<u>                    </u>	<u>                    </u>
	451,636	462,359
	<u>                    </u>	<u>                    </u>

# INCEPTUA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 5 Directors' remuneration

(Continued)

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

	2022 £	2021 £
Remuneration for qualifying services	276,077	293,062

### 6 Investment income

	2022 £	2021 £
<b>Interest income</b>		
Interest on bank deposits	-	7,150

### 7 Finance costs

	2022 £	2021 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	20,503	39,035
Interest on lease liabilities	9,243	2,554
	29,746	41,589

### 8 Property, plant and equipment

	Leasehold Property	Fixtures, fittings & equipment	Total
	£	£	£
<b>Cost</b>			
At 1 January 2022	328,855	333,159	662,014
Additions	424,888	15,287	440,175
Disposals	(328,855)	-	(328,855)
At 31 December 2022	424,888	348,446	773,334
<b>Accumulated depreciation and impairment</b>			
At 1 January 2022	263,084	256,653	519,737
Charge for the year	123,710	53,161	176,871
Eliminated on disposal	(328,855)	-	(328,855)
At 31 December 2022	57,939	309,814	367,753

# INCEPTUA LIMITED

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

### 8 Property, plant and equipment

(Continued)

	Leasehold Property	Fixtures, fittings & equipment	Total
	£	£	£
<b>Carrying amount analysed between owned assets and right-of-use assets</b>			
<b>At 31 December 2022</b>			
Owned assets	-	38,632	38,632
Right-of-use assets	366,949	-	366,949
	<u>366,949</u>	<u>38,632</u>	<u>405,581</u>
<b>At 31 December 2021</b>			
Owned assets	-	76,506	76,506
Right-of-use assets	65,771	-	65,771
	<u>65,771</u>	<u>76,506</u>	<u>142,277</u>

Property, plant and equipment includes right-of-use assets, as follows:

<b>Right-of-use assets</b>	<b>2022</b>	<b>2021</b>
	£	£
<b>Net values at the year end</b>		
Leasehold Property	<u>366,949</u>	<u>65,771</u>
<b>Depreciation charge for the year</b>		
Leasehold Property	<u>123,710</u>	<u>87,694</u>

The Right Of Use asset represents the present value of the lease payments for premises occupied by the company payable over a long-lease term, discounted at the incremental borrowing rate of the company in compliance with IFRS 16 "Leases".

### 9 Inventories

	<b>2022</b>	<b>2021</b>
	£	£
Finished goods	<u>380,166</u>	<u>409,636</u>

# INCEPTUA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 10 Trade and other receivables

	2022 £	2021 £
Trade receivables	2,510,543	1,974,099
VAT recoverable	346,337	659,996
Other receivables	2,551,050	4,796,189
Prepayments and accrued income	3,831,884	2,066,460
	<u>9,239,814</u>	<u>9,496,744</u>

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

### 11 Liabilities

		Current		Non-current	
	Notes	2022 £	2021 £	2022 £	2021 £
Borrowings	12	-	5,575	-	-
Trade and other payables	13	14,414,902	12,481,484	-	-
Taxation and social security		109,351	878,156	-	-
Lease liabilities	14	74,331	70,141	359,098	-
		<u>14,598,584</u>	<u>13,435,356</u>	<u>359,098</u>	<u>-</u>

### 12 Borrowings

	2022 £	2021 £
<b>Borrowings held at amortised cost:</b>		
Bank overdrafts	-	5,575

### 13 Trade and other payables

	2022 £	2021 £
Trade payables	11,417,626	8,559,672
Payments received on account	-	964,928
Accruals and deferred income	2,956,776	2,913,076
Other payables	40,500	43,808
	<u>14,414,902</u>	<u>12,481,484</u>

# INCEPTUA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 14 Lease liabilities

	2022	2021
Maturity analysis	£	£
Within one year	74,330	70,141
In two to five years	359,099	-
Total undiscounted liabilities	433,429	70,141

Lease liabilities 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:

	2022	2021
	£	£
Current liabilities	74,331	70,141
Non-current liabilities	359,098	-
	433,429	70,141

	2022	2021
	£	£
Amounts recognised in profit or loss include the following:		
Interest on lease liabilities	9,243	2,554

### 15 Retirement benefit schemes

	2022	2021
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	85,210	78,692

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.

### 16 Share capital

	2022	2021	2022	2021
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary of £1 each	100,000	100,000	100,000	100,000

# INCEPTUA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 17 Retained earnings

	2022 £	2021 £
At the beginning of the year	(2,647,491)	(2,412,625)
Loss for the year	(241,152)	(234,866)
At the end of the year	<u>(2,888,643)</u>	<u>(2,647,491)</u>

### 18 Related party transactions

#### Remuneration of key management personnel

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

	2022 £	2021 £
Short-term employee benefits	<u>451,636</u>	<u>462,359</u>

#### 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 sales of goods and services amounting to £20,790,937 (2021 : £14,663,880 ) to group companies.

Inceptua Limited made purchases of goods or services amounting to £9,700,636 (2021: £5,738,996 ) from group companies.

Inceptua Limited paid interest of £nil (2021 : £38,985 ) to group companies during the year.

The following amounts were outstanding at the reporting end date:

	2022 £	2021 £
<b>Amounts due to related parties</b>		
Group companies	<u>10,044,083</u>	<u>10,549,492</u>

The following amounts were outstanding at the reporting end date:

	2022 £	2021 £
<b>Amounts due from related parties</b>		
Group companies	<u>6,357,979</u>	<u>7,702,936</u>



## **INCEPTUA LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2022***

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#### **19 Controlling party**

The ultimate controlling party is Inceptua SA, Luxembourg.

The smallest and largest group that prepares consolidated financial statements that Inceptua Limited are included in, is Inceptua SA, a company registered in Luxembourg. Copies of the consolidated financial statements are available from the registered office:

2 Place de Paris  
L-2314 Luxembourg  
RCS Luxembourg B56.943

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