

Group Strategic Report,
Report of the Directors and
Consolidated Financial Statements
for the Year Ended 31 May 2021
for
Surescreen Holdings Limited

Contents of the Consolidated Financial Statements
for the Year Ended 31 May 2021

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Surescreen Holdings Limited

Company Information
for the Year Ended 31 May 2021

DIRECTORS:

D S Campbell
A R Campbell
A J Campbell

REGISTERED OFFICE:

1 Prime Park Way
Prime Enterprise Park
Derby
DE1 3QB

REGISTERED NUMBER:

09067025 (England and Wales)

AUDITORS:

Bates Weston Audit Ltd
Statutory Auditors
Chartered Accountants
The Mills
Canal Street
Derby
DE1 2RJ

Group Strategic Report
for the Year Ended 31 May 2021

The group comprises the holding company, Surescreen Holdings Limited, and the three trading subsidiaries Surescreen Diagnostics Limited, Surescreen Scientifics Limited and Nutrivitality Limited.

REVIEW OF BUSINESS

Turnover for the year to 31 May 2021 for the group was £150.9m compared to the prior year of £7.8m, with profit before tax of £67.7m comparing to that of £1.5m in 2020.

Surescreen Diagnostics Limited showed turnover of £148.1m (2020: £6.7m) and profit before tax of £67.2m (2020: £0.9m) with the increase being as a result of the award of a new contract.

Surescreen Scientifics Limited showed turnover of £1.4m (2020: £0.9m) and profit before tax of £492k (2020: £436k).

Nutrivitality Limited showed turnover of £1.4m (2020: £0.2m) and profit before tax of £28k (2020: -£20k).

The increase in performance of these companies is as a result of building our customer base across the businesses.

PRINCIPAL RISKS AND UNCERTAINTIES

The market for lateral flow testing is changing quickly given the focus during the Covid-19 pandemic. The management team are focused on navigating these changes over time as well as planning ahead for the positive market trends for testing, as well as other sides of the business.

KEY PERFORMANCE INDICATORS

Performance is measured on an ongoing basis by KPIs such as turnover, gross margins, overheads, and cash levels.

ON BEHALF OF THE BOARD:

D S Campbell - Director

17 June 2022

Report of the Directors
for the Year Ended 31 May 2021

The directors present their report with the financial statements of the company and the group for the year ended 31 May 2021.

DIVIDENDS

An interim dividend of £407 per share was paid on 31 March 2021. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 May 2021 will be £ 244,200 .

DIRECTORS

The directors shown below have held office during the whole of the period from 1 June 2020 to the date of this report.

D S Campbell
A R Campbell
A J Campbell

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

ON BEHALF OF THE BOARD:

D S Campbell - Director

17 June 2022

Report of the Independent Auditors to the Members of
Surescreen Holdings Limited

Qualified opinion

We have audited the financial statements of Surescreen Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 May 2021 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement 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 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 May 2021 and of its profits 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 qualified opinion

With regards to the group, stock is carried at £15,164,527 on the Balance Sheet and within cost of sales in the Profit and Loss Account. We were unable to obtain sufficient appropriate audit evidence about the carrying value of stock at 31 May 2021 because of a lack of documentary evidence to support the purchase and sales prices of some stock lines. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

We were unable to obtain sufficient appropriate audit evidence about the quantity of stock at 31 May 2021 because of a lack of documentary evidence to support the movements of stock. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

In addition to the above, management has not included all stock held by the company at 31 May 2021 within the balance sheet, which constitutes a departure from Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice). Due to a lack of documentary evidence, we were unable to determine what adjustments to these amounts were necessary.

A stock take was not performed at 31 May 2020 and as such we have been unable to obtain sufficient appropriate audit evidence regarding the prior year stock figure.

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 Auditors' 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 obtained is sufficient and appropriate to provide a basis for our qualified 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 group's and the parent 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.

Report of the Independent Auditors to the Members of
Surescreen Holdings Limited

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 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

Except for the matter described in the basis for qualified opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Prior year accounts

The accounts for the year ended 31 May 2020 were unaudited and we express no opinion on them and the corresponding figures.

Matters on which we are required to report by exception

Except for the matter described in the basis for qualified opinion section of our report, in the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 Statement of Directors' Responsibilities set out on page three, 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 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Report of the Independent Auditors to the Members of
Surescreen Holdings Limited

Auditors' 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 a Report of the Auditors 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:

Based on our understanding of the company and industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the engineering industry and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. Audit procedures performed by the engagement team included:

- Enquiry of management around actual and potential litigation and claims;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ian Neal FCA CTA (Senior Statutory Auditor)
for and on behalf of Bates Weston Audit Ltd
Statutory Auditors
Chartered Accountants
The Mills
Canal Street
Derby
DE1 2RJ

21 June 2022

Consolidated
Profit and Loss Account
for the Year Ended 31 May 2021

| | Notes | 2021 £ | 2020 £ |
|---|-------|-------------------|------------------|
| TURNOVER | | 150,892,203 | 7,827,457 |
| Cost of sales | | <u>76,649,674</u> | <u>3,878,203</u> |
| GROSS PROFIT | | 74,242,529 | 3,949,254 |
| Administrative expenses | | <u>6,776,111</u> | <u>2,382,978</u> |
| | | 67,466,418 | 1,566,276 |
| Other operating income | | <u>275,694</u> | <u>12,763</u> |
| OPERATING PROFIT | 4 | 67,742,112 | 1,579,039 |
| Interest receivable and similar income | | <u>22,661</u> | <u>122</u> |
| | | 67,764,773 | 1,579,161 |
| Interest payable and similar expenses | 5 | <u>43,809</u> | <u>71,968</u> |
| PROFIT BEFORE TAXATION | | 67,720,964 | 1,507,193 |
| Tax on profit | 6 | <u>12,793,602</u> | <u>42,750</u> |
| PROFIT FOR THE FINANCIAL YEAR | | 54,927,362 | 1,464,443 |
| OTHER COMPREHENSIVE INCOME | | - | (200) |
| Income tax relating to other comprehensive income | | - | - |
| OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX | | - | (200) |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | <u>54,927,362</u> | <u>1,464,243</u> |
| Profit attributable to: Owners of the parent | | <u>54,927,362</u> | <u>1,464,443</u> |
| Total comprehensive income attributable to: Owners of the parent | | <u>54,927,362</u> | <u>1,464,243</u> |

Surescreen Holdings Limited (Registered number: 09067025)**Consolidated Balance Sheet**
31 May 2021

| | Notes | 2021 £ | £ | 2020 £ | £ |
|--|-------|-------------------|-------------------|------------------|------------------|
| FIXED ASSETS | | | | | |
| Intangible assets | 9 | | 18,643 | | 18,276 |
| Tangible assets | 10 | | 8,985,392 | | 740,204 |
| Investments | 11 | | 100,000 | | - |
| Investment property | 12 | | 3,101,891 | | 3,101,891 |
| | | | <u>12,205,926</u> | | <u>3,860,371</u> |
| CURRENT ASSETS | | | | | |
| Stocks | 13 | 15,164,527 | | 2,387,943 | |
| Debtors | 14 | 61,289,451 | | 1,367,018 | |
| Cash at bank and in hand | | <u>19,404,944</u> | | <u>1,056,425</u> | |
| | | 95,858,922 | | 4,811,386 | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 15 | <u>42,299,635</u> | | <u>3,083,109</u> | |
| NET CURRENT ASSETS | | | <u>53,559,287</u> | | <u>1,728,277</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 65,765,213 | | 5,588,648 |
| CREDITORS | | | | | |
| Amounts falling due after more than one year | 16 | | (6,807,558) | | (1,703,740) |
| PROVISIONS FOR LIABILITIES | 20 | | <u>(444,352)</u> | | <u>(54,767)</u> |
| NET ASSETS | | | <u>58,513,303</u> | | <u>3,830,141</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 21 | | 600 | | 600 |
| Retained earnings | 22 | | <u>58,512,703</u> | | <u>3,829,541</u> |
| SHAREHOLDERS' FUNDS | | | <u>58,513,303</u> | | <u>3,830,141</u> |

The financial statements were approved by the Board of Directors and authorised for issue on 17 June 2022 and were signed on its behalf by:

D S Campbell - Director

Surescreen Holdings Limited (Registered number: 09067025)

Company Balance Sheet
31 May 2021

| | Notes | 2021 £ | £ | 2020 £ | £ |
|--|-------|----------------|-------------------|----------------|------------------|
| FIXED ASSETS | | | | | |
| Intangible assets | 9 | | - | | - |
| Tangible assets | 10 | | - | | - |
| Investments | 11 | | 1,400,690 | | 1,300,600 |
| Investment property | 12 | | <u>3,101,891</u> | | <u>3,101,891</u> |
| | | | 4,502,581 | | 4,402,491 |
| CURRENT ASSETS | | | | | |
| Debtors | 14 | 56,118,968 | | 1,081,189 | |
| Cash at bank | | <u>20,305</u> | | <u>120,818</u> | |
| | | 56,139,273 | | 1,202,007 | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 15 | <u>777,211</u> | | <u>793,017</u> | |
| NET CURRENT ASSETS | | | <u>55,362,062</u> | | <u>408,990</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 59,864,643 | | 4,811,481 |
| CREDITORS | | | | | |
| Amounts falling due after more than one year | 16 | | 1,542,910 | | 1,603,836 |
| NET ASSETS | | | <u>58,321,733</u> | | <u>3,207,645</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 21 | | 600 | | 600 |
| Retained earnings | | | <u>58,321,133</u> | | <u>3,207,045</u> |
| SHAREHOLDERS' FUNDS | | | <u>58,321,733</u> | | <u>3,207,645</u> |
| Company's profit for the financial year | | | <u>55,358,288</u> | | <u>1,313,867</u> |

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

The financial statements were approved by the Board of Directors and authorised for issue on 17 June 2022 and were signed on its behalf by:

D S Campbell - Director

The notes form part of these financial statements

Consolidated Statement of Changes in Equity
for the Year Ended 31 May 2021

| | Called up share capital £ | Retained earnings £ | Total equity £ |
|-------------------------------|------------------------------------|---------------------------|----------------------|
| Balance at 1 June 2019 | 300 | 2,443,298 | 2,443,598 |
| Changes in equity | | | |
| Issue of share capital | 300 | - | 300 |
| Dividends | - | (78,000) | (78,000) |
| Total comprehensive income | - | 1,464,243 | 1,464,243 |
| Balance at 31 May 2020 | <u>600</u> | <u>3,829,541</u> | <u>3,830,141</u> |
| Changes in equity | | | |
| Dividends | - | (244,200) | (244,200) |
| Total comprehensive income | - | 54,927,362 | 54,927,362 |
| Balance at 31 May 2021 | <u>600</u> | <u>58,512,703</u> | <u>58,513,303</u> |

Company Statement of Changes in Equity
for the Year Ended 31 May 2021

| | Called up share capital £ | Retained earnings £ | Total equity £ |
|-------------------------------|------------------------------------|---------------------------|----------------------|
| Balance at 1 June 2019 | 300 | 1,971,178 | 1,971,478 |
| Changes in equity | | | |
| Issue of share capital | 300 | - | 300 |
| Dividends | - | (78,000) | (78,000) |
| Total comprehensive income | - | 1,313,867 | 1,313,867 |
| Balance at 31 May 2020 | <u>600</u> | <u>3,207,045</u> | <u>3,207,645</u> |
| Changes in equity | | | |
| Dividends | - | (244,200) | (244,200) |
| Total comprehensive income | - | 55,358,288 | 55,358,288 |
| Balance at 31 May 2021 | <u>600</u> | <u>58,321,133</u> | <u>58,321,733</u> |

**Consolidated Cash Flow Statement
for the Year Ended 31 May 2021**

| | Notes | 2021 £ | 2020 £ |
|---|-------|--------------------|------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 24 | 28,078,565 | 1,116,663 |
| Interest paid | | (41,638) | (71,583) |
| Interest element of hire purchase payments paid | | (2,171) | (385) |
| Tax paid | | (5,860) | 105,222 |
| Net cash from operating activities | | <u>28,028,896</u> | <u>1,149,917</u> |
| Cash flows from investing activities | | | |
| Purchase of intangible fixed assets | | (4,163) | (10,214) |
| Purchase of tangible fixed assets | | (9,249,900) | (341,172) |
| Purchase of fixed asset investments | | (100,000) | - |
| Sale of tangible fixed assets | | 15,588 | 6,716 |
| Interest received | | 22,661 | 122 |
| Net cash from investing activities | | <u>(9,315,814)</u> | <u>(344,548)</u> |
| Cash flows from financing activities | | | |
| Capital repayments in year | | 50,817 | 11,139 |
| Amount introduced by directors | | 244,200 | 147,998 |
| Amount withdrawn by directors | | (415,380) | (111,196) |
| Equity dividends paid | | (244,200) | (78,000) |
| Net cash from financing activities | | <u>(364,563)</u> | <u>(30,059)</u> |
| Increase in cash and cash equivalents | | <u>18,348,519</u> | <u>775,310</u> |
| Cash and cash equivalents at beginning of year | 25 | 1,056,425 | 281,115 |
| Cash and cash equivalents at end of year | 25 | <u>19,404,944</u> | <u>1,056,425</u> |

The notes form part of these financial statements

Notes to the Consolidated Financial Statements
for the Year Ended 31 May 2021

1. STATUTORY INFORMATION

Surescreen Holdings Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Consolidation

The consolidated accounts incorporate the accounts of Surescreen Holdings Limited and all of its subsidiary undertakings. Merger accounting has been adopted to include the results of one subsidiary as if they had always formed part of the group and the comparatives reflect this, including adjustments to affect the accounting period. The acquisition method of accounting has been adopted for the remaining subsidiaries.

In the company's financial statements, investments in subsidiary undertakings are stated at cost less amounts written off.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Patents and licences are being amortised evenly over their estimated useful life of nil years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

| | |
|-----------------------|---------------------------|
| Short leasehold | - 10% on cost |
| Plant and machinery | - 25% on reducing balance |
| Fixtures and fittings | - 25% on reducing balance |
| Motor vehicles | - 25% on reducing balance |
| Computer equipment | - 25% on reducing balance |

Grants

Revenue grants are recognised in the profit and loss account so as to match them with the expenditure which they are intended to contribute towards. Capital grants are recognised systematically in the profit and loss account over the useful economic life of the asset to which the grant relates.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2021

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Profit and Loss Account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2021

2. ACCOUNTING POLICIES - continued

Judgements in applying accounting policies and key sources of estimation

In the application of the group's accounting policies the directors are required to make judgement estimates and assumptions about the carrying amounts of the group's assets and liabilities. These are based on historical experience and other factors that are considered relevant and are reviewed on a regular basis and recognised in the period in which the estimate is revised. Actual results may differ from these estimates.

The following are the critical judgements and where relevant the key sources of estimation uncertainty:

Tangible fixed assets are depreciated over their useful economic lives taking in to account their residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing the asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken in to account. Residual values consider such things as future market conditions, the remaining life of the asset and projected disposal values.

The recoverability of debtors is assessed on the likelihood and circumstances of the particular cost.

The value of stock is assessed for impairment. In re-assessing the stock value, factors such as slow movement and obsolescence are taken in to account.

As regards to the fair value of the properties held for investment purposes, the directors have considered the portfolio on an aggregate basis given the capital growth potential in the foreseeable future.

3. EMPLOYEES AND DIRECTORS

| | 2021 | 2020 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 3,788,927 | 1,457,679 |
| Social security costs | 181,386 | 134,325 |
| Other pension costs | 26,374 | 23,005 |
| | <u>3,996,687</u> | <u>1,615,009</u> |

The average number of employees during the year was as follows:

| | 2021 | 2020 |
|-----------------------------|-----------|-----------|
| Directors | 3 | 3 |
| Admin, production and sales | <u>63</u> | <u>61</u> |
| | <u>66</u> | <u>64</u> |

| | 2021 | 2020 |
|-------------------------|---------------|---------------|
| | £ | £ |
| Directors' remuneration | <u>40,958</u> | <u>35,532</u> |

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2021

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

| | 2021 £ | 2020 £ |
|--|----------------|----------------|
| Hire of plant and machinery | 92,516 | 6,764 |
| Depreciation - owned assets | 989,087 | 139,765 |
| Depreciation - assets on hire purchase contracts | 2,751 | 245 |
| (Profit)/loss on disposal of fixed assets | (2,714) | 507 |
| Goodwill amortisation | 31 | 31 |
| Patents and licences amortisation | 3,765 | 3,331 |
| Foreign exchange differences | 406,874 | 101,015 |
| Auditors remuneration - non audit work | 29,980 | 11,750 |
| Research and development | <u>274,685</u> | <u>510,090</u> |

5. INTEREST PAYABLE AND SIMILAR EXPENSES

| | 2021 £ | 2020 £ |
|--|---------------|---------------|
| Bank interest | 40 | 7 |
| Bank loan interest | 41,598 | 53,576 |
| Interest on directors' current account | - | 18,000 |
| Hire purchase | <u>2,171</u> | <u>385</u> |
| | <u>43,809</u> | <u>71,968</u> |

6. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

| | 2021 £ | 2020 £ |
|-----------------------|-------------------|---------------|
| Current tax: | | |
| UK corporation tax | 12,404,000 | 5,843 |
| Prior year adjustment | 17 | - |
| Total current tax | <u>12,404,017</u> | <u>5,843</u> |
| Deferred tax | 389,585 | 36,907 |
| Tax on profit | <u>12,793,602</u> | <u>42,750</u> |

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2021

6. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

| | 2021 £ | 2020 £ |
|---|------------|-----------|
| Profit before tax | 67,720,964 | 1,507,193 |
| Profit multiplied by the standard rate of corporation tax in the UK of 19 % (2020 - 19 %) | 12,866,983 | 286,367 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 2,311 | 5 |
| Income not taxable for tax purposes | (49,063) | - |
| Capital allowances in excess of depreciation | (348,222) | (15,813) |
| Other permanent differences | 389,440 | (101,817) |
| Research and development | (67,847) | (125,992) |
| Total tax charge | 12,793,602 | 42,750 |

Tax effects relating to effects of other comprehensive income

| | Gross £ | 2020 Tax £ | Net £ |
|-------------|------------|------------------|----------|
| Bonus issue | (200) | - | (200) |

7. INDIVIDUAL PROFIT AND LOSS ACCOUNT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

8. DIVIDENDS

| | 2021 £ | 2020 £ |
|---------|-----------|-----------|
| Interim | 244,200 | 78,000 |

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2021

9. INTANGIBLE FIXED ASSETS

Group

| | Goodwill £ | Patents and licences £ | Totals £ |
|-----------------------|---------------|---------------------------------|----------------|
| COST | | | |
| At 1 June 2020 | 312 | 132,358 | 132,670 |
| Additions | - | 4,163 | 4,163 |
| At 31 May 2021 | <u>312</u> | <u>136,521</u> | <u>136,833</u> |
| AMORTISATION | | | |
| At 1 June 2020 | 253 | 114,141 | 114,394 |
| Amortisation for year | 31 | 3,765 | 3,796 |
| At 31 May 2021 | <u>284</u> | <u>117,906</u> | <u>118,190</u> |
| NET BOOK VALUE | | | |
| At 31 May 2021 | <u>28</u> | <u>18,615</u> | <u>18,643</u> |
| At 31 May 2020 | <u>59</u> | <u>18,217</u> | <u>18,276</u> |

10. TANGIBLE FIXED ASSETS

Group

| | Short leasehold £ | Plant and machinery £ | Fixtures and fittings £ |
|------------------------|-------------------------|-----------------------------|----------------------------------|
| COST | | | |
| At 1 June 2020 | 540,536 | 600,067 | 255,397 |
| Additions | - | 7,242,434 | 1,894,872 |
| Disposals | - | - | - |
| At 31 May 2021 | <u>540,536</u> | <u>7,842,501</u> | <u>2,150,269</u> |
| DEPRECIATION | | | |
| At 1 June 2020 | 281,291 | 345,090 | 189,216 |
| Charge for year | 27,779 | 410,532 | 488,751 |
| Eliminated on disposal | - | - | - |
| At 31 May 2021 | <u>309,070</u> | <u>755,622</u> | <u>677,967</u> |
| NET BOOK VALUE | | | |
| At 31 May 2021 | <u>231,466</u> | <u>7,086,879</u> | <u>1,472,302</u> |
| At 31 May 2020 | <u>259,245</u> | <u>254,977</u> | <u>66,181</u> |

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2021

10. TANGIBLE FIXED ASSETS - continued

Group

| | Motor vehicles £ | Computer equipment £ | Totals £ |
|------------------------|------------------------|----------------------------|-------------|
| COST | | | |
| At 1 June 2020 | 113,728 | 203,280 | 1,713,008 |
| Additions | 36,820 | 75,774 | 9,249,900 |
| Disposals | (26,413) | (1,896) | (28,309) |
| At 31 May 2021 | 124,135 | 277,158 | 10,934,599 |
| DEPRECIATION | | | |
| At 1 June 2020 | 50,555 | 106,652 | 972,804 |
| Charge for year | 22,124 | 42,652 | 991,838 |
| Eliminated on disposal | (14,960) | (475) | (15,435) |
| At 31 May 2021 | 57,719 | 148,829 | 1,949,207 |
| NET BOOK VALUE | | | |
| At 31 May 2021 | 66,416 | 128,329 | 8,985,392 |
| At 31 May 2020 | 63,173 | 96,628 | 740,204 |

11. FIXED ASSET INVESTMENTS

Group

| | Unlisted investments £ |
|-----------------------|------------------------------|
| COST | |
| Additions | 100,000 |
| At 31 May 2021 | 100,000 |
| NET BOOK VALUE | |
| At 31 May 2021 | 100,000 |
| Company | |
| | Other investments £ |
| COST | |
| At 1 June 2020 | 1,300,600 |
| Additions | 100,090 |
| At 31 May 2021 | 1,400,690 |
| NET BOOK VALUE | |
| At 31 May 2021 | 1,400,690 |
| At 31 May 2020 | 1,300,600 |

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2021

11. FIXED ASSET INVESTMENTS - continued

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Surescreen Diagnostics Limited

Registered office: 1 Prime Park Way, Prime Enterprise Park, Derby DE1 3QB

Nature of business: Human health activities

| | |
|------------------|---------|
| | % |
| Class of shares: | holding |
| Ordinary | 100.00 |

Surescreen Scientifics Limited

Registered office: 1 Prime Park Way, Prime Enterprise Park, Derby DE1 3QB

Nature of business: Technical testing and analysis

| | |
|------------------|---------|
| | % |
| Class of shares: | holding |
| Ordinary | 100.00 |

Nutriviality Limited

Registered office: 17 Eagle Park, Alfreton Road, Derby DE21 4BF

Nature of business: Manufacture of dietic food

| | |
|------------------|---------|
| | % |
| Class of shares: | holding |
| Ordinary | 100.00 |

Surescreen Ireland Limited

Registered office: 1 Prime Park Way, Prime Enterprise Park, Derby DE1 3QB

Nature of business: Dormant company

| | |
|------------------|---------|
| | % |
| Class of shares: | holding |
| Ordinary | 100.00 |

Surescreen Scientifics Division Limited

Registered office: 1 Prime Park Way, Prime Enterprise Park, Derby DE1 3QB

Nature of business: Dormant company

| | |
|------------------|---------|
| | % |
| Class of shares: | holding |
| Ordinary | 100.00 |

Surescreen Life Sciences Limited

Registered office: 1 Prime Park Way, Prime Enterprise Park, Derby DE1 3QB

Nature of business: Dormant company

| | |
|------------------|---------|
| | % |
| Class of shares: | holding |
| Ordinary | 100.00 |

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2021

12. INVESTMENT PROPERTY

Group

| | Total £ |
|-----------------------------------|------------|
| FAIR VALUE | |
| At 1 June 2020 and 31 May 2021 | 3,101,891 |
| NET BOOK VALUE | |
| At 31 May 2021 | 3,101,891 |
| At 31 May 2020 | 3,101,891 |

Company

| | Total £ |
|-----------------------------------|------------|
| FAIR VALUE | |
| At 1 June 2020 and 31 May 2021 | 3,101,891 |
| NET BOOK VALUE | |
| At 31 May 2021 | 3,101,891 |
| At 31 May 2020 | 3,101,891 |

Fair value at 31 May 2021 is represented by:

| | £ |
|-------------------|-----------|
| Valuation in 2021 | 3,101,891 |

If investment property had not been revalued it would have been included at the following historical cost:

| | 2021 £ | 2020 £ |
|------------------------|-----------|-----------|
| Cost | 3,101,891 | 3,101,891 |
| Aggregate depreciation | (253,827) | (191,790) |

Investment property was valued on a fair value basis on 31 May 2021 by the directors .

13. STOCKS

| | Group | |
|--------|------------|-----------|
| | 2021 | 2020 |
| | £ | £ |
| Stocks | 15,164,527 | 2,387,943 |

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2021

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group | | Company | |
|---|-------------------|------------------|-------------------|------------------|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Trade debtors | 60,125,609 | 1,148,020 | - | - |
| Amounts owed by participating interests | - | - | 55,997,958 | 1,081,189 |
| Other debtors | 981,262 | 171,379 | 121,010 | - |
| Prepayments | 182,580 | 47,619 | - | - |
| | <u>61,289,451</u> | <u>1,367,018</u> | <u>56,118,968</u> | <u>1,081,189</u> |

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group | | Company | |
|---|-------------------|------------------|----------------|----------------|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Bank loans and overdrafts (see note 17) | 235,717 | 113,169 | 114,619 | 113,169 |
| Other loans (see note 17) | 51,133 | 36,000 | - | - |
| Hire purchase contracts (see note 18) | 24,448 | 1,952 | - | - |
| Trade creditors | 2,457,873 | 2,021,182 | - | 14 |
| Amounts owed to participating interests | - | - | 100,000 | - |
| Tax | 12,404,000 | 5,843 | - | 1,062 |
| Social security and other taxes | 24,394,351 | 115,050 | 62,200 | 7,200 |
| Other creditors | 284,348 | 283,429 | 271,476 | 271,476 |
| Forward contract liability | 263,941 | - | - | - |
| Directors' loan accounts | 228,916 | 400,096 | 228,916 | 400,096 |
| Accrued expenses | 346,816 | 100,462 | - | - |
| Deferred government grants | 1,608,092 | 5,926 | - | - |
| | <u>42,299,635</u> | <u>3,083,109</u> | <u>777,211</u> | <u>793,017</u> |

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | Group | | Company | |
|---------------------------------------|------------------|------------------|------------------|------------------|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Bank loans (see note 17) | 2,171,811 | 1,603,836 | 1,542,910 | 1,603,836 |
| Other loans (see note 17) | 8,488 | 43,312 | - | - |
| Hire purchase contracts (see note 18) | 37,508 | 9,187 | - | - |
| Deferred government grants | 4,589,751 | 47,405 | - | - |
| | <u>6,807,558</u> | <u>1,703,740</u> | <u>1,542,910</u> | <u>1,603,836</u> |

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2021

17. LOANS

An analysis of the maturity of loans is given below:

| | Group | | Company | |
|---|------------------|------------------|------------------|------------------|
| | 2021 £ | 2020 £ | 2021 £ | 2020 £ |
| Amounts falling due within one year or on demand: | | | | |
| Bank loans | 235,717 | 113,169 | 114,619 | 113,169 |
| Other loans | 51,133 | 36,000 | - | - |
| | <u>286,850</u> | <u>149,169</u> | <u>114,619</u> | <u>113,169</u> |
| Amounts falling due between one and two years: | | | | |
| Bank loans - 1-2 years | 256,215 | 115,927 | 117,412 | 115,927 |
| Other loans - 1-2 years | 8,488 | 34,824 | - | - |
| | <u>264,703</u> | <u>150,751</u> | <u>117,412</u> | <u>115,927</u> |
| Amounts falling due between two and five years: | | | | |
| Bank loans - 2-5 years | 802,954 | 365,008 | 369,683 | 365,008 |
| Other loans - 2-5 years | - | 8,488 | - | - |
| | <u>802,954</u> | <u>373,496</u> | <u>369,683</u> | <u>365,008</u> |
| Amounts falling due in more than five years: | | | | |
| Repayable by instalments | | | | |
| Bank loans more 5 yr by instal | <u>1,112,642</u> | <u>1,122,901</u> | <u>1,055,815</u> | <u>1,122,901</u> |

18. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

| | Hire purchase contracts | |
|----------------------------|--------------------------------|---------------|
| | 2021 £ | 2020 £ |
| Net obligations repayable: | | |
| Within one year | 24,448 | 1,952 |
| Between one and five years | <u>37,508</u> | <u>9,187</u> |
| | <u>61,956</u> | <u>11,139</u> |

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2021

19. SECURED DEBTS

The following secured debts are included within creditors:

| | Group | | Company | |
|-------------------------|------------------|------------------|------------------|------------------|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Other loans | 59,621 | 79,312 | - | - |
| Hire purchase contracts | 61,956 | 11,139 | - | - |
| Bank loans | <u>1,657,529</u> | <u>1,717,005</u> | <u>1,657,529</u> | <u>1,717,005</u> |
| | <u>1,779,106</u> | <u>1,807,456</u> | <u>1,657,529</u> | <u>1,717,005</u> |

The bank borrowings are secured on the property of the group and by a fixed and floating debenture over the assets of the group.

Other loans and hire purchase balances are secured on the assets to which they relate.

20. PROVISIONS FOR LIABILITIES

| | Group | |
|------------------------|----------------|----------------|
| | 2021 | 2020 |
| | £ | £ |
| Deferred tax | <u>444,352</u> | <u>54,767</u> |
| Group | | |
| | | Deferred tax |
| | | £ |
| Balance at 1 June 2020 | | 54,767 |
| Provided during year | | <u>389,585</u> |
| Balance at 31 May 2021 | | <u>444,352</u> |

21. CALLED UP SHARE CAPITAL

| | | | |
|----------------------------------|----------|----------------|------------|
| Allotted, issued and fully paid: | | | |
| Number: | Class: | Nominal value: | |
| | | £ | 2020 |
| 600 | Ordinary | <u>£1</u> | <u>£</u> |
| | | <u>600</u> | <u>600</u> |

22. RESERVES

| | |
|---------------------|-------------------|
| Group | |
| | Retained earnings |
| | £ |
| At 1 June 2020 | 3,829,541 |
| Profit for the year | 54,927,362 |
| Dividends | <u>(244,200)</u> |
| At 31 May 2021 | <u>58,512,703</u> |

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2021

23. RELATED PARTY DISCLOSURES

The directors and shareholders maintain current accounts with the company. At the balance sheet date, the balances owed to/by such persons are included within the debtors and creditors notes. The balances are interest free and repayable on demand.

24. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

| | 2021 £ | 2020 £ |
|---|-------------------|------------------|
| Profit before taxation | 67,720,964 | 1,507,193 |
| Depreciation charges | 995,634 | 143,370 |
| (Profit)/loss on disposal of fixed assets | (2,714) | 507 |
| Finance costs | 43,809 | 71,968 |
| Finance income | (22,661) | (122) |
| | <u>68,735,032</u> | <u>1,722,916</u> |
| Increase in stocks | (12,776,584) | (1,868,808) |
| Increase in trade and other debtors | (59,922,433) | (171,362) |
| Increase in trade and other creditors | 32,042,550 | 1,433,917 |
| Cash generated from operations | <u>28,078,565</u> | <u>1,116,663</u> |

25. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 May 2021

| | 31.5.21 £ | 1.6.20 £ |
|---------------------------|-------------------|------------------|
| Cash and cash equivalents | <u>19,404,944</u> | <u>1,056,425</u> |

Year ended 31 May 2020

| | 31.5.20 £ | 1.6.19 £ |
|---------------------------|------------------|----------------|
| Cash and cash equivalents | <u>1,056,425</u> | <u>281,115</u> |

26. ANALYSIS OF CHANGES IN NET (DEBT)/FUNDS

| | At 1.6.20 £ | Cash flow £ | At 31.5.21 £ |
|---------------------------------|--------------------|-------------------|--------------------|
| Net cash | | | |
| Cash at bank and in hand | 1,056,425 | 18,348,519 | 19,404,944 |
| | <u>1,056,425</u> | <u>18,348,519</u> | <u>19,404,944</u> |
| Debt | | | |
| Finance leases | (11,139) | (50,817) | (61,956) |
| Debts falling due within 1 year | (149,169) | (137,681) | (286,850) |
| Debts falling due after 1 year | (1,647,148) | (533,151) | (2,180,299) |
| | <u>(1,807,456)</u> | <u>(721,649)</u> | <u>(2,529,105)</u> |
| Total | <u>(751,031)</u> | <u>17,626,870</u> | <u>16,875,839</u> |

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.