

MEU Solutions Ltd
Strategic Report, Report of the Directors and
Financial Statements
for the Year Ended 31 March 2020

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for the Year Ended 31 March 2020

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MEU Solutions Ltd
Company Information
for the Year Ended 31 March 2020

Directors:

Dr P V Barber
Ms E P Batty
A E McNish
Dr R M Niven
D Rogers
Professor J Vestbo
Professor A A Woodcock
Prof S D Singh

Registered office:

The Langley Building
Southmoor Road
Wythenshawe
Manchester
M23 9QZ

Registered number: 09157193 (England and Wales)

Auditors:

Warr & Co Limited
Chartered Accountants
76 Manchester Road
Denton
Manchester
M34 3PS

Strategic Report
for the Year Ended 31 March 2020

The directors present their strategic report for the year ended 31 March 2020.

Review of business

MEUS continues to expand its business and has had another excellent year of trading increasing our turnover by 450% in year. We have secured numerous contracts across multiple services in locations throughout the world.

As a result of this increase in income we now can report our first year of profitable trading.

The team has expanded and now comprises of 4 staff who have many years of experience in the following areas:

Project Management - Extensive project management experience both within the UK and throughout Europe

GCP and GMP Training - Access to GCP and GMP trained auditors

SOP and Policy writing - The team have written upward of 200 clinical study SOP's and policy's

Ethics submission - Experience of UK and EU ethics submissions

Monitoring - Several years monitoring experience in numerous therapies from Phase I-IV

Regulatory Submission and advice - Specialist UK regulatory personnel

Site Feasibility - Full feasibility assessment of potential clinical trial sites

Medical and Protocol Writing - We make protocols work, achieving endpoints whilst remaining deliverable

Site and Sub-contractor Audit services - Undertaken by our team of experienced Auditors

We continue to work closely with our sister company Medicines Evaluation Unit, and our third party partners, and jointly have become a "one stop shop" for Pharma and Biotec's drug development.

In line with the current business plan and due to the expansion of services it is anticipated that this growth and profitability will continue into 2021 and beyond.

On behalf of the board:

D Rogers - Director

31 March 2021

Report of the Directors
for the Year Ended 31 March 2020

The directors present their report with the financial statements of the company for the year ended 31 March 2020.

Dividends

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

Directors

The directors shown below have held office during the whole of the period from 1 April 2019 to the date of this report.

Dr P V Barber
Ms E P Batty
A E McNish
Dr R M Niven
D Rogers
Professor J Vestbo
Professor A A Woodcock
Prof S D Singh

Going concern

The directors are confident that there is a reasonable expectation that the company will continue in operational existence for the foreseeable future. Further details are disclosed in the notes to the financial statements.

Covid-19

The impact of the Covid-19 pandemic resulted in the implementation of a government enforced nationwide lockdown. The directors increased previously implemented measures to create a Covid safe workplace thus enabling the business to continue to operate.

Having reviewed the performance and considered the potential impact of Covid-19 on the future of the business when preparing the budgets and forecasts, the directors are satisfied that Covid-19 is unlikely to cast significant doubt over the company's ability to continue as a going concern.

Statement of directors' responsibilities

The directors are responsible for preparing the 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 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Report of the Directors
for the Year Ended 31 March 2020

Statement of directors' responsibilities - continued

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 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 company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The auditors, Warr & Co Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

On behalf of the board:

D Rogers - Director

31 March 2021

Report of the Independent Auditors to the Members of
MEU Solutions Ltd

Opinion

We have audited the financial statements of MEU Solutions Ltd (the 'company') for the year ended 31 March 2020 which comprise the Statement of comprehensive income, Balance sheet, Statement of changes in equity, 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 the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit 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 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report of the Independent Auditors to the Members of
MEU Solutions Ltd

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

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 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of directors' responsibilities set out on pages three and four, 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 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.

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.

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.

Report of the Independent Auditors to the Members of
MEU Solutions Ltd

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.

Nicola Joyce FCCA ACA (Senior Statutory Auditor)
for and on behalf of Warr & Co Limited

31 March 2021

Warr & Co Limited, Statutory Auditor
Manchester

Statement of Comprehensive Income
for the Year Ended 31 March 2020

	Notes	31.3.20 £	31.3.19 £
Turnover	3	1,018,039	225,938
Cost of sales		<u>(877,069)</u>	<u>(215,710)</u>
Gross profit		140,970	10,228
Administrative expenses		<u>(136,995)</u>	<u>(19,998)</u>
Operating profit/(loss) and			
Profit/(loss) before taxation		3,975	(9,770)
Tax on profit/(loss)	6	<u>-</u>	<u>-</u>
Profit/(loss) for the financial year		3,975	(9,770)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the			
year		3,975	(9,770)

The notes form part of these financial statements

MEU Solutions Ltd (Registered number: 09157193)

Balance Sheet
31 March 2020

	Notes	31.3.20 £	31.3.19 £
Current assets			
Debtors	7	123,081	71,966
Cash at bank		<u>170,952</u>	<u>56,600</u>
		294,033	128,566
Creditors			
Amounts falling due within one year	8	<u>(305,108)</u>	<u>(143,616)</u>
Net current liabilities		<u>(11,075)</u>	<u>(15,050)</u>
Total assets less current liabilities		<u>(11,075)</u>	<u>(15,050)</u>
Capital and reserves			
Called up share capital	9	867	867
Retained earnings	10	<u>(11,942)</u>	<u>(15,917)</u>
Shareholders' funds		<u>(11,075)</u>	<u>(15,050)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 31 March 2021 and were signed on its behalf by:

D Rogers - Director

The notes form part of these financial statements

Statement of Changes in Equity
for the Year Ended 31 March 2020

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2018	867	(6,147)	(5,280)
Changes in equity			
Total comprehensive income	-	(9,770)	(9,770)
Balance at 31 March 2019	867	(15,917)	(15,050)
Changes in equity			
Total comprehensive income	-	3,975	3,975
Balance at 31 March 2020	867	(11,942)	(11,075)

The notes form part of these financial statements

Cash Flow Statement
for the Year Ended 31 March 2020

	Notes	31.3.20 £	31.3.19 £
Cash flows from operating activities			
Cash generated from operations	12	<u>114,352</u>	<u>8,052</u>
Net cash from operating activities		<u>114,352</u>	<u>8,052</u>
Increase in cash and cash equivalents		<u>114,352</u>	<u>8,052</u>
Cash and cash equivalents at beginning of year	13	<u>56,600</u>	<u>48,548</u>
Cash and cash equivalents at end of year	13	<u>170,952</u>	<u>56,600</u>

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 March 2020

1. Statutory information

MEU Solutions Ltd 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 Company 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.

The company's parent undertaking, North West Lung Centre, includes the company in its consolidated financial statements that are 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 consolidated accounts are available to the public and may be obtained from its registered office at Wythenshawe Hospital, Wythenshawe, Manchester, M23 9LT.

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirement of paragraph 33.7.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business and is shown net of VAT.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of future receipts. The difference between the fair value of the consideration and the normal amount received is recognised as interest income.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2020

2. Accounting policies - continued

Financial instruments

The company has elected to apply the provisions of section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financial transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

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

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

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

De-recognition of financial assets

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

Classification of financial liabilities

Notes to the Financial Statements - continued
for the Year Ended 31 March 2020

2. **Accounting policies - continued**

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Basic 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.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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.

De-recognition of financial liabilities

Financial liabilities are de-recognised when the company's contractual obligations expire or are discharged or cancelled.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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.

Pension costs and other post-retirement benefits

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

Going concern

The directors have considered the impact of the Covid-19 pandemic in their assessment of the company's financial position. They expect that the company will continue to create positive cash flows for the foreseeable future and are confident that there is a reasonable expectation that the company will continue in operational existence for the foreseeable future, being at least 12 months from the date of approval of the financial statements. Thus the company has prepared the financial statements on a going concern basis.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2020

3. Turnover

The turnover and profit (2019 - loss) before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	31.3.20	31.3.19
	£	£
Sales	1,018,039	225,938
	<u>1,018,039</u>	<u>225,938</u>

An analysis of turnover by geographical market is given below:

	31.3.20	31.3.19
	£	£
United Kingdom	1,018,039	225,938
	<u>1,018,039</u>	<u>225,938</u>

4. Employees and directors

	31.3.20	31.3.19
	£	£
Wages and salaries	157,517	-
Social security costs	21,378	-
Other pension costs	10,129	-
	<u>189,024</u>	<u>-</u>

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

	31.3.20	31.3.19
Employees	<u>4</u>	<u>1</u>

	31.3.20	31.3.19
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2020

5. Operating profit/(loss)

The operating profit (2019 - operating loss) is stated after charging:

	31.3.20	31.3.19
	£	£
Auditors' remuneration	<u>3,825</u>	<u>1,250</u>

6. Taxation

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 31 March 2020 nor for the year ended 31 March 2019.

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:

	31.3.20	31.3.19
	£	£
Profit/(loss) before tax	<u>3,975</u>	<u>(9,770)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	755	(1,856)
Effects of:		
Utilisation of tax losses	(755)	-
Unutilised tax losses carried forward	<u>-</u>	<u>1,856</u>
Total tax charge	<u><u>-</u></u>	<u><u>-</u></u>

7. Debtors: amounts falling due within one year

	31.3.20	31.3.19
	£	£
Trade debtors	84,416	59,018
Amounts owed by group undertakings	828	828
Other debtors	<u>37,837</u>	<u>12,120</u>
	<u><u>123,081</u></u>	<u><u>71,966</u></u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2020

8. Creditors: amounts falling due within one year

	31.3.20	31.3.19
	£	£
Trade creditors	105,495	90,955
Amounts owed to group undertakings	197,113	-
Accruals and deferred income	2,500	52,661
	<u>305,108</u>	<u>143,616</u>

9. Called up share capital

Allotted, issued and fully paid:			31.3.20	31.3.19
Number:	Class:	Nominal value:	£	£
828	Ordinary "A"	£1	828	828
39	Ordinary "B"	£1	39	39
			<u>867</u>	<u>867</u>

10. Reserves

	Retained earnings
	£
At 1 April 2019	(15,917)
Profit for the year	3,975
At 31 March 2020	<u>(11,942)</u>

11. Ultimate controlling party

The parent company of MEU Solutions Limited is North West Lung Centre, a charity limited by guarantee, which owns 95.5% of the issued share capital.

12. Reconciliation of profit/(loss) before taxation to cash generated from operations

	31.3.20	31.3.19
	£	£
Profit/(loss) before taxation	3,975	(9,770)
Increase in trade and other debtors	(51,115)	(43,451)
Increase in trade and other creditors	161,492	61,273
Cash generated from operations	<u>114,352</u>	<u>8,052</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2020

13. 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 March 2020

	31.3.20	1.4.19
	£	£
Cash and cash equivalents	<u>170,952</u>	<u>56,600</u>

Year ended 31 March 2019

	31.3.19	1.4.18
	£	£
Cash and cash equivalents	<u>56,600</u>	<u>48,548</u>

14. Analysis of changes in net funds

	At 1.4.19	Cash flow	At 31.3.20
	£	£	£
Net cash			
Cash at bank	<u>56,600</u>	<u>114,352</u>	<u>170,952</u>
	<u>56,600</u>	<u>114,352</u>	<u>170,952</u>
Total	<u>56,600</u>	<u>114,352</u>	<u>170,952</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.