

CROS Solutions Ltd
Strategic Report, Report of the Directors and
Financial Statements
for the Year Ended 31 March 2022

Contents of the Financial Statements
for the Year Ended 31 March 2022

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CROS Solutions Ltd

Company Information
for the Year Ended 31 March 2022

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
& Statutory Auditors
Mynshull House
78 Churchgate
Stockport
SK1 1YJ

Strategic Report
for the Year Ended 31 March 2022

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

Review of business

CROS continues to expand its business and has had another excellent year of trading. We have continued to increase the number of contracts which has led to significant increase in turnover this year. We continue to expand our offering into full CRO services with the strategic objective to bring as many services as possible in house and reduce our reliance on external vendors. We are currently able to offer the following services:

Medical Writing
Protocol writing services
Audit services including site qualifications
Combined submission for Ethics and MHRA
Project management services
Site training and clinical overreading services
eCRF / CRF design and build
Data Management
Statistics
Independent monitoring
Pharmacovigilance
Medical monitoring
Bioanalytical services - biomarkers and PK
Trial Master File Management
UK Legal representative

During this financial year, we have contributed in the fight against the Covid-19 pandemic, undertaking 5 clinical treatment trials running them virtually in patients homes or in regional hospitals throughout the UK for the most severe patients. We have also provided monitoring services in 18 sites throughout the UK and undertaken site management for companies in the UK, Australia, Europe and America.

Our turnover has increased by £3.2 million compared to last year and stands at £5.7 million. The balance sheet shows an increase to £1,379,740.

We are continuing to increase the headcount in line with increasing income and workload, and we are looking forward to the purchase of new office premises within the next few months. The order book remains strong for the coming year and we have secured orders worth over £9.4 million.

Strategic Report
for the Year Ended 31 March 2022

Key performance indicators

The directors consider the key KPI's to be as follows;

	2022	2021
Gross Profit	£921,406	£653,121
Profit before Tax	£690,381	£474,410
Shareholders' Funds	£1,379,740	£478,986
Gross Profit %	16.01%	25.33%

On behalf of the board:

D Rogers - Director

30 December 2022

Report of the Directors
for the Year Ended 31 March 2022

The directors present their report with the financial statements of the company for the year ended 31 March 2022.

Dividends

No dividends will be distributed for the year ended 31 March 2022.

Events since the end of the year

Information relating to events since the end of the year is given in the notes to the financial statements.

Directors

The directors shown below have held office during the whole of the period from 1 April 2021 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

Having reviewed the impact of Covid 19 and the measures implemented by the directors to create a Covid safe workplace. The directors have considered the potential impact of Covid-19 on the future of the business when preparing the budgets and forecasts, and 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.

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.

Report of the Directors
for the Year Ended 31 March 2022

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

30 December 2022

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

Opinion

We have audited the financial statements of CROS Solutions Ltd (the 'company') for the year ended 31 March 2022 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 2022 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

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 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 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.

Report of the Independent Auditors to the Members of
CROS 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 page 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.

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

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:

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities including fraud and non-compliance with laws and regulations were as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with the directors and other management and review of appropriate industry knowledge;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by;

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we;

- performed analytical procedures as a risk assessment tool to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and undertook substantive testing on a sample basis;
- reviewed the application of accounting policies with focus on those with heightened estimation uncertainty.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to;

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of nondetection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

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
CROS 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
Chartered Accountants
& Statutory Auditors
Mynshull House
78 Churchgate
Stockport
SK1 1YJ

30 December 2022

**Statement of Comprehensive
Income
for the Year Ended 31 March 2022**

	Notes	31.3.22 £	31.3.21 £
Turnover	3	5,730,697	2,578,811
Cost of sales		<u>(4,809,291)</u>	<u>(1,925,690)</u>
Gross profit		921,406	653,121
Administrative expenses		<u>(235,225)</u>	<u>(178,711)</u>
		686,181	474,410
Other operating income		<u>4,200</u>	<u>-</u>
Operating profit and Profit before taxation		690,381	474,410
Tax on profit	6	<u>210,055</u>	<u>51,979</u>
Profit for the financial year		900,436	526,389
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>900,436</u>	<u>526,389</u>

The notes form part of these financial statements

CROS Solutions Ltd (Registered number: 09157193)

Balance Sheet
31 March 2022

	Notes	31.3.22 £	31.3.21 £
Fixed assets			
Investments	8	1	1
Current assets			
Debtors	9	2,494,840	1,112,355
Cash at bank and in hand		<u>2,075,174</u>	<u>391,796</u>
		4,570,014	1,504,151
Creditors			
Amounts falling due within one year	10	<u>(3,190,275)</u>	<u>(1,025,166)</u>
Net current assets		<u>1,379,739</u>	<u>478,985</u>
Total assets less current liabilities		<u>1,379,740</u>	<u>478,986</u>
Capital and reserves			
Called up share capital	11	1,185	867
Retained earnings	12	<u>1,378,555</u>	<u>478,119</u>
Shareholders' funds		<u>1,379,740</u>	<u>478,986</u>

The financial statements were approved by the Board of Directors and authorised for issue on 30 December 2022 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 2022

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2020	867	(11,942)	(11,075)
Changes in equity			
Dividends	-	(36,328)	(36,328)
Total comprehensive income	-	526,389	526,389
Balance at 31 March 2021	<u>867</u>	<u>478,119</u>	<u>478,986</u>
Changes in equity			
Issue of share capital	318	-	318
Total comprehensive income	-	900,436	900,436
Balance at 31 March 2022	<u>1,185</u>	<u>1,378,555</u>	<u>1,379,740</u>

The notes form part of these financial statements

Cash Flow Statement
for the Year Ended 31 March 2022

	Notes	31.3.22 £	31.3.21 £
Cash flows from operating activities			
Cash generated from operations	16	<u>1,683,060</u>	<u>257,173</u>
Net cash from operating activities		<u>1,683,060</u>	<u>257,173</u>
Cash flows from investing activities			
Purchase of fixed asset investments		<u>-</u>	<u>(1)</u>
Net cash from investing activities		<u>-</u>	<u>(1)</u>
Cash flows from financing activities			
Share issue		<u>318</u>	<u>-</u>
Equity dividends paid		<u>-</u>	<u>(36,328)</u>
Net cash from financing activities		<u>318</u>	<u>(36,328)</u>
Increase in cash and cash equivalents		<u>1,683,378</u>	<u>220,844</u>
Cash and cash equivalents at beginning of year	17	<u>391,796</u>	<u>170,952</u>
Cash and cash equivalents at end of year	17	<u><u>2,075,174</u></u>	<u><u>391,796</u></u>

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 March 2022

1. Statutory information

CROS 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.

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 2022

2. Accounting policies - continued

Financial instruments

The company has elected to apply the provisions of section 11 'Basic Financial Instruments' 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.

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

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

Basic financial liabilities

Basic financial liabilities including creditors, bank loans and loans from fellow group companies 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.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

2. Accounting policies - continued

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.

Fixed asset investments

Investments in company shares are stated at fair value at each balance sheet date. Fair value gains and losses are taken to the profit and loss account.

Going concern

The directors have assessed the company's financial position and are confident that there is a reasonable expectation that the company will continue in operational existence and continue to create positive cash flows 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.

3. Turnover

The turnover and profit before taxation are attributable to the one principal activity of the company.

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

	31.3.22	31.3.21
	£	£
Clinical Trial Support	5,730,697	2,578,811
	<u>5,730,697</u>	<u>2,578,811</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

3. Turnover - continued

An analysis of turnover by geographical market is given below:

	31.3.22	31.3.21
	£	£
United Kingdom	2,857,201	594,177
Europe	35,737	488,907
United States of America	2,795,056	1,495,727
Rest of the World	42,703	-
	<u>5,730,697</u>	<u>2,578,811</u>

4. Employees and directors

	31.3.22	31.3.21
	£	£
Wages and salaries	621,881	325,726
Social security costs	65,976	33,753
Other pension costs	27,725	18,395
	<u>715,582</u>	<u>377,874</u>

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

	31.3.22	31.3.21
Administration	15	7
Clinical	11	7
	<u>26</u>	<u>14</u>

	31.3.22	31.3.21
	£	£
Directors' remuneration	-	-

5. Operating profit

The operating profit is stated after charging:

	31.3.22	31.3.21
	£	£
Auditors' remuneration	1,500	1,500
Auditors' remuneration for non audit work	<u>1,000</u>	<u>1,000</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

6. Taxation

Analysis of the tax credit

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

	31.3.22	31.3.21
	£	£
Current tax:		
UK corporation tax	<u>(210,055)</u>	<u>(51,979)</u>
Tax on profit	<u>(210,055)</u>	<u>(51,979)</u>

UK corporation tax was charged at 19%) in 2021.

Reconciliation of total tax credit 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:

	31.3.22	31.3.21
	£	£
Profit before tax	<u>690,381</u>	<u>474,410</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	131,172	90,138
Effects of:		
Utilisation of tax losses forward	-	(1,101)
Gift aid adjustment on distribution to parent charity	-	(6,902)
Research and development tax credit	(368,381)	(134,114)
Other tax adjustments	27,154	-
Total tax credit	<u>(210,055)</u>	<u>(51,979)</u>

7. Dividends

	31.3.22	31.3.21
	£	£
Ordinary "A" shares of £1 each		
Interim	<u>-</u>	<u>36,328</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

8. Fixed asset investments

	Unlisted investments £
Cost	
At 1 April 2021 and 31 March 2022	<u>1</u>
Net book value	
At 31 March 2022	<u>1</u>
At 31 March 2021	<u>1</u>

9. Debtors: amounts falling due within one year

	31.3.22 £	31.3.21 £
Trade debtors	1,718,168	956,752
Amounts recoverable on contract	41,065	94,706
Tax	262,034	51,979
VAT	473,573	-
Prepayments and accrued income	-	8,918
	<u>2,494,840</u>	<u>1,112,355</u>

10. Creditors: amounts falling due within one year

	31.3.22 £	31.3.21 £
Trade creditors	3,761	18,752
Amounts owed to group undertakings	2,733,124	334,985
VAT	-	33,035
Accruals and deferred income	453,390	638,394
	<u>3,190,275</u>	<u>1,025,166</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

11. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.3.22 £	31.3.21 £
828	Ordinary "A"	£1	828	828
39	Ordinary "B"	£1	39	39
318	Ordinary "C"	£1	318	-
			<u>1,185</u>	<u>867</u>

318 Ordinary "C" shares of £1 each were allotted and fully paid for cash at par during the year.

Ordinary "A" shares carry full voting rights, rights to dividends but no rights on winding up.

Ordinary "B" shares carry full voting rights.

Ordinary "C" shares carry full voting rights, rights to dividends and capital rights on winding up, these shares are non-redeemable.

12. Reserves

	Retained earnings £
At 1 April 2021	478,119
Profit for the year	900,436
At 31 March 2022	<u>1,378,555</u>

13. Related party disclosures

There were no dividends representing gift aid payments to the parent charity, North West Lung Centre, paid during the year (2021: £36,328).

At the balance sheet date a sum of £2,733,124 (2021: £334,984) was owed by the company to Medicines Evaluation Unit Limited, a company owned by North West Lung Centre. During the year, sales of £2,455,972 (2021: £1,774,530) were made to Medicines Evaluation Unit Limited, and purchases of £4,266,179 (2021: £415,939) from Medicines Evaluation Unit Limited.

During the year, a total of key management personnel compensation of £ 56,195 (2021 - £ 37,982) was paid.

14. Post balance sheet events

As noted in the Strategic Report, the Company has purchased business premises at a cost of £383,333 since the balance sheet date, this has been funded from existing reserves.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

15. Ultimate controlling party

The parent company of MEU Solutions Limited is North West Lung Centre, a charity limited by guarantee, which owns 69.9% of the issued share capital.

16. Reconciliation of profit before taxation to cash generated from operations

	31.3.22	31.3.21
	£	£
Profit before taxation	690,381	474,410
Increase in trade and other debtors	(1,172,430)	(937,295)
Increase in trade and other creditors	2,165,109	720,058
Cash generated from operations	1,683,060	257,173

17. 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 2022

	31.3.22	1.4.21
	£	£
Cash and cash equivalents	2,075,174	391,796

Year ended 31 March 2021

	31.3.21	1.4.20
	£	£
Cash and cash equivalents	391,796	170,952

18. Analysis of changes in net funds

	At 1.4.21	Cash flow	At 31.3.22
	£	£	£
Net cash			
Cash at bank and in hand	391,796	1,683,378	2,075,174
	391,796	1,683,378	2,075,174
Total	391,796	1,683,378	2,075,174

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