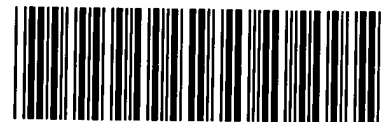


## **Qualasept Holdings Limited**

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### **Directors' Report and Financial Statements for the Period Ended 31 December 2021**

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## **Qualasept Holdings Limited**

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## **Qualasept Holdings Limited**

**Directors' Report and Financial Statements for the Period Ended 31 December 2021**

### **Company information**

**Directors:** R Wastnage  
M Watt  
C Watt

**Registered office:** 3 Corsham Science Park  
Park Lane  
Corsham  
SN13 9FU

**Registered number:** 10135621

**Independent auditors:** PricewaterhouseCoopers LLP  
One Kingsway  
Cardiff  
CF10 3PW

## **Qualasept Holdings Limited**

Directors' Report and Financial Statements for the Period Ended 31 December 2021

### **Strategic report for the period ended 31 December 2021**

The directors present their Strategic Report and the audited financial statements of the company for the period ended 31 December 2021.

#### **Principal activities**

The company's principal activity during the period was as a holding company for a group of companies engaged in the supply of pharmaceutical products and services. The company will remain a holding company in future.

#### **Business review and future developments**

Group sales decreased to £158,502,419 (Year to 30 April 2021: £260,658,473). Accordingly, gross profit fell to £10,358,403 (30th April 2021: £19,377,086). The group's loss for the financial year is -£45,736 (profit to 30 April 2021: £6,608,356). At 31 December, the group had net assets of £32,002,788 (30 April 2021: £33,722,464). A review of the group operating companies is set out below.

#### **Qualasept Ltd**

The period under review saw an annualised 18% contraction in sales, with recorded sales of £102,827,478 for the eight month period (year ended April 2021: £187,083,968) due largely to lower numbers of doses being compounded. A gross profit of £6,682,259 is reported (April 2021: £13,023,923), with a gross margin at 6.5% (April 2021: 7.0%). The profit for the eight month financial period was £2,606,791 (2021: £6,181,698). As at 31 December 2021 the company had net assets of £16,772,914 (April 2021: £23,816,123).

The business intends to continue to operate in the same mix of products and and markets as it has done over the last financial period.

#### **Pharmaxo Pharmacy Services Limited**

In the period under review sales of £70,310,565 (year ended 30 April 2021: £87,715,208) were delivered. A gross profit of £2,857,775 (year ended 30 April 2021: £2,697,014) is reported, with gross margin at 4.1% (2021: 3.1%).

Administration costs were to £1,879,837 (year ended 30 April 2021: 2,254,746). The profit before taxation is £809,747 (year ended 30 April 2021: £176,112).

The directors anticipate that in the coming year the company will continue to increase volumes in its core services across homecare services and outsourced pharmacy services with a particular emphasis on complex therapies.

#### **Microgenetics Limited**

In the period under review the company continued sales of its SmartControl microbiology quality control software and continued to invest in the applied research and development of its SwiftDetect diagnostic testing service. The company has continued to be focussed on the provision of scientific and technological guidance to the product development performed by its sister company, Corsham Science Limited, and the implementation of sales and marketing plans. The first sales of SwiftDetect were made in April 2021 and continued throughout the period in accordance with seasonal demand.

Additional staff for customer support, sales and operational management have been recruited to build the necessary capability for the anticipated sales.

## Qualasept Holdings Limited

Directors' Report and Financial Statements for the Period Ended 31 December 2021

### Strategic report for the period ended 31 December 2021

#### Corsham Science Limited

In the period under review the company continued to develop intellectual property related to biological and chemical analysis for the pharmaceutical, and the animal and plant health sectors. The intellectual property being developed comprises three strands, each of which is staffed by distinct scientific and technological teams.

In addition to our established team of stability research scientists, whose work enables the extensions of shelf lives for biological and other products, we have a team of microbiologists working on optimising our technology for the rapid detection of micro-organisms and the specific application of this core technology in the detection of plant pathogens and environmental contaminants. Additional scientists have been recruited over the period to ensure the on-going development of the core technologies in line with strategic objectives.

A further team of in-house and external IT developers has built an application that utilises artificial intelligence for the management and analysis of micro-biological environmental monitoring data, as well as continuing its work in building software to underpin process innovations in aseptic manufacturing and pharmaceutical dispensing.

Planning continues on a new state of the art aseptic cleanroom facility to expand our current capacity.

#### Financial and non-financial key performance indicators

The directors are of the opinion that further analysis using KPIs is not necessary for an understanding of the development, performance or financial position of the business.

#### Principal risks and uncertainties

The directors have considered the principal risks and uncertainties faced by the company and these are outlined in the Directors' Report on page 5.

#### Corporate Governance

##### The Board's Statement on s172(1)

In accordance with section 172 of the Companies Act 2006 the directors present the following statements on the company's engagement with employees and other stakeholders.

The directors at all times endeavour to act in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard to a range of matters when making long term strategic decisions.

The company recognises that its staff are a major asset, essential to maintaining its services and delivering its anticipated growth. The company is a committed investor in training and skills and all permanent members of staff over the age of 18 (excluding student placements and apprentices) are paid more than the Real Living Wage. In this way the company hopes to attract and retain young workers, as well as ensuring that all staff can earn a wage which is enough to live on.

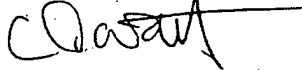
The company has long established relationships with its suppliers and customers, and in all areas strives to ensure they are treated fairly and ethically.

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Qualasept Holdings Limited (QHL) and its subsidiary companies have a zero-tolerance approach to modern slavery and are committed to acting ethically and with integrity in all business dealings and relationships. Our primary focus is on implementing and enforcing effective systems and controls to ensure modern slavery does not take place anywhere in our own business or in any of our supply chains.

On behalf of the Board:

C Watt



Director

29 September 2022

## **Qualasept Holdings Limited**

**Directors' Report and Financial Statements for the Period Ended 31 December 2021**

### **Directors' report for the period ended 31 December 2021**

The directors present their report and the audited consolidated financial statements for the period ended 31 December 2021.

#### **Financial risk management**

The group's operations expose it to a variety of financial risks that include: the effects of changes in market prices, credit risk, liquidity risk and interest rate cash flow risk. Given the size of the group, the directors have delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the group's finance department.

#### **Price risk**

The group is exposed to commodity price risk as a result some of its operations. The group manages this by negotiating fixed price agreements for both purchases and sales, with contract duration of between six and twenty-four months, allowing renegotiation due to price movement when necessary. The directors will revisit the appropriateness of this policy should the group's operations change in size or nature.

The group's exposure to equity securities price risk is limited to the potential movement in shares held in related parties. The group holds no listed investments.

#### **Credit risk**

The group has implemented policies that require appropriate credit checks on potential private sector customers before sales are made. Policies to control debtor levels are in place for all customers.

#### **Liquidity risk**

The group actively maintains a mixture of cash balances and short-term debt finance that is designed to ensure the company has sufficient available funds for operations and planned expansions.

#### **Interest rate cash flow risk**

The group has both interest bearing assets and interest bearing liabilities. Interest bearing assets include only cash balances earning variable rate interest. The directors consider that the group has adequate cash resources to manage the risk of adverse interest rate movements on short-term working capital finance.

The directors will revisit the appropriateness of this policy should the group's operations change in size or nature.

#### **Compliance and regulatory risk**

Qualasept Limited operates under the Medicines and Healthcare products Controlled drugs 378902, Regulatory Agency Manufacturer's "Specials" Licence 29581, the Clinical Trials Licence MIA (IMP) 29581 and Veterinary Medicines Licence 29581. Compliance with the regulations governing this licence is mandatory which include biennial external inspections. Pharmaxo operates under the Medicines and Healthcare products Regulatory Agency Wholesale Dealers Authorisation (Human) number 39799, and GPhC licence numbers 1091653 and 1097293 and Care Quality Commission 4655239421. Compliance with the regulations governing these authorisations, including biennial inspections, is mandatory. The directors in each company operate a program of self-inspection to ensure compliance is maintained.

## Qualasept Holdings Limited

### Directors' Report and Financial Statements for the Period Ended 31 December 2021

#### Directors' report for the period ended 31 December 2021 - continued

##### Charitable Donations

In the period to 31 December 2021 the Group made £4,661 in charitable donations (30 April 2021: £5,277).

##### Qualifying third party indemnity provisions

A qualifying third-party indemnity provision as defined in section 234 of the Companies Act 2006 was in force during the financial year and also at the date of approval of the financial statements for the benefit of each of the directors in respect of liabilities incurred as a result of their office, to the extent permitted by law.

##### Dividends

Dividends totalling £1,700,000 were paid in the period; of this amount dividends of £1,430,000 in respect of the year ended 30 April 2021 (30 April 2021): £1,490,000) were paid. Subsequent to the year end and up to the date of signing, dividends of £3,290,000 were paid.

##### Directors and their interests

The directors who held office during the period from 01 May 2021 to the date of this report are given below:

R Wastnage  
M Watt  
C Watt

The directors of the company during the period from 1 May 2021 to the date of this report, together with their interests in the shares of the company at 31 December 2021, were as follows:

Issued and fully paid £0.01 ordinary shares	31-Dec-21	30-Apr-21
R Wastnage	3,600	3,600
Richard John Wastnage, Amanda Wastnage and Thrings Trustee company Limited	400	400
M Watt		500
C Watt		3,500
Watt Trading Ltd	4,000	

##### Our Streamlined Energy and Carbon Report

The group's energy usage in relation to electricity, gas and transport and related CO2 emissions is set out in the table below. This includes the kWh usage figures for electricity and gas energy used by the company through its occupation of rented buildings, as well as directly collated information on energy use relating to our transport. The energy consumption used to calculate emissions in calendar year 2021 was: 1,959,510 kWh electricity (calendar 2020: 1,847,405 kWh), 706,451 miles of fuel for business use in company vehicles (calendar 2020: 555,034 miles), nil miles of rail travel (calendar 2020: nil miles) and nil miles air travel (calendar 2020: nil miles). (There was no UK energy use from gas.) The related CO2 emissions

	Calendar 2021
CO2e from combustion of fuel for transport purposes (kg)	134,407
CO2e from purchased electricity (kg)	688,886
Total gross CO2e (kg)	823,293
Intensity ratio: (tCO2e / £100,000 revenue)	0.31

The company has undertaken the following principal measures for the purpose of increasing its energy efficiency:

- The company and wider Group have a fleet of plug-in hybrid and fully electric cars. A charging network is installed across the Science Park.
- The company and wider Group have a sustainable approach in relation to its canteens – no single-use (straws, cutlery, other) is purchased for use by staff in Group canteens.
- The company and wider Group have evolved its approach to the conduct of meetings. The Group now embraces a virtual approach to meetings. All relevant staff members are provided with access to MS Teams, and the necessary IT hardware, and are able to undertake meetings virtually via their computers. This is being led from the top with virtual meetings now being conducted by the Board and Executive Committee on a regular basis also.

## Qualasept Holdings Limited

Directors' Report and Financial Statements for the Period Ended 31 December 2021

### Directors' report for the period ended 31 December 2021 - continued

#### Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and Financial Statements for the Period Ended 31 December 2021 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the group 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 group and enable them to ensure that the financial statements comply with the Companies Act 2006. The Directors are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Directors' confirmations

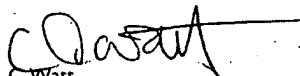
In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### Independent auditors

The independent auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

#### On behalf of the Board:

  
C. Watt  
Director

29 September 2022



## **Qualasept Holdings Limited**

Directors' Report and Financial Statements for the Period Ended 31 December 2021

# **Independent auditors' report to the members of Qualasept Holdings Limited**

## **Report on the audit of the financial statements**

### **Opinion**

In our opinion, Qualasept Holdings Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2021 and of the group's loss and the group's cash flows for the 8 month period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Directors' Report and Financial Statements (the "Annual Report"), which comprise: Consolidated balance sheet and Company balance sheet as at 31 December 2021; Consolidated statement of comprehensive income, Consolidated statement of changes in equity, Company statement of changes in equity and Consolidated cash flow statement for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### **Conclusions relating to going concern**

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 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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

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

## **Qualasept Holdings Limited**

**Directors' Report and Financial Statements for the Period Ended 31 December 2021**

### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### **Strategic report and Directors' report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the period ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

### **Responsibilities for the financial statements and the audit**

#### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and 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 group or 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 an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.

## Qualasept Holdings Limited

### Directors' Report and Financial Statements for the Period Ended 31 December 2021

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to Companies Act 2006 and UK tax law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to overstate the performance of the Company. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations or fraud;
- Identifying and testing manual journal entries, in particular those having unusual account combinations;
- Obtaining third party confirmations of all the Company's banking arrangements; and
- Reviewing minutes of meetings of those charged with governance.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## Other required reporting

### Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Jason Clarke (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Cardiff  
30 September 2022

## Qualasept Holdings Limited

Directors' Report and Financial Statements for the Period Ended 31 December 2021

### Consolidated statement of comprehensive income for the period ended 31 December 2021

	Note	Period ended 31 December 2021		Year ended 30 April 2021	
		£	£	£	£
<b>Continuing operations</b>					
<b>Turnover</b>	4		158,502,419		260,658,473
Cost of sales			(148,144,016)		(241,281,386)
Gross profit			10,358,403		19,377,086
Administrative expenses			(10,171,112)		(10,862,408)
<b>Operating profit</b>	5		187,291		8,514,678
Interest receivable and similar income		248,805		395,607	
Interest payable and similar charges	8	(402,811)		(602,127)	
			(154,006)		(206,520)
<b>Profit before taxation</b>			33,285		8,308,158
Tax on profit	9		(79,021)		(1,699,802)
<b>(Loss)/Profit for the financial period</b>			(45,736)		6,608,356
<b>Total comprehensive (Expense)/Income for the period</b>			(45,736)		6,608,356

# Qualasept Holdings Limited

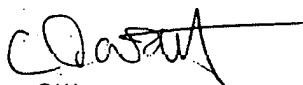
Directors' Report and Financial Statements for the Period Ended 31 December 2021

## Consolidated balance sheet as at 31 December 2021

		Period ended 31 December 2021	Year ended 30 April 2021
	Note	£	£
<b>Fixed assets</b>			
Intangibles	10	62,912	18,492
Tangible assets	11	5,313,802	5,710,562
		<u>5,376,714</u>	<u>5,729,054</u>
<b>Current assets</b>			
Stock	13	13,120,721	12,806,753
Debtors	14	49,747,774	62,041,589
Investments	15	5,000,000	5,000,000
Cash at bank and in hand		5,875,526	2,156,834
		<u>73,744,021</u>	<u>82,005,177</u>
<b>Creditors: amounts falling due within one year</b>	16	39,741,831	46,633,165
<b>Net current assets</b>		<u>34,002,190</u>	<u>35,372,011</u>
<b>Total assets less current liabilities</b>		<u>39,378,904</u>	<u>41,101,065</u>
<b>Creditors: amounts falling due after more than one year</b>	17	6,938,000	6,938,000
<b>Provisions for liabilities and charges</b>			
Deferred taxation	19	464,176	440,601
<b>Net assets</b>		<u>31,976,728</u>	<u>33,722,464</u>
<b>Capital and reserves</b>			
Called up share capital	20	80	80
Other reserves		(7,911,102)	(7,911,102)
Profit and loss account		39,887,750	41,633,486
<b>Total shareholders' funds</b>		<u>31,976,728</u>	<u>33,722,464</u>

The notes on pages 17 to 33 are an integral part of these financial statements

The financial statements on pages 11 to 33 were approved by the board of directors on 29 September 2022 and were signed on its behalf by:



C Watt  
Director

## Qualasept Holdings Limited

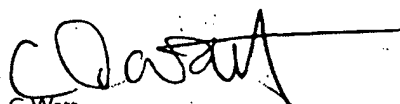
Directors' Report and Financial Statements for the Period Ended 31 December 2021

### Company balance sheet as at 31 December 2021

	Note	Period ended 31 December 2021		Year ended 30 April 2021	
		£	£	£	£
<b>Investments</b>					
Shares in group undertakings	12		<u>7,984,810</u>		<u>7,984,810</u>
			<u>7,984,810</u>		<u>7,984,810</u>
<b>Current assets</b>					
Debtors	14	1,207,006		2,151,365	
Investments	15	5,000,000		5,000,000	
Cash at bank and in hand		<u>3,379,487</u>		<u>316,522</u>	
		<u>9,586,493</u>		<u>7,467,886</u>	
<b>Creditors: amounts falling due within one year</b>	16	257,699		947,226	
<b>Net current assets</b>			<u>9,328,794</u>		<u>6,520,660</u>
<b>Total assets less current liabilities</b>			<u>17,313,604</u>		<u>14,505,470</u>
<b>Creditors: amounts falling due after more than one year</b>	17		6,938,000		6,938,000
<b>Net assets</b>			<u>10,375,604</u>		<u>7,567,470</u>
<b>Capital and reserves</b>					
Called up share capital	20		80		80
Profit and loss account					
At 1 May			7,567,390		6,128,728
Profit for the period attributable to the owners			2,808,134		1,438,662
			<u>10,375,524</u>		<u>7,567,390</u>
<b>Total shareholders' funds</b>			<u>10,375,604</u>		<u>7,567,470</u>

The notes on pages 17 to 33 are an integral part of these financial statements

The financial statements on pages 11 to 33 were approved by the board of directors on 29 September 2022 and were signed on its behalf by:

  
C Watt  
Director

## Qualasept Holdings Limited

Directors' Report and Financial Statements for the Period Ended 31 December 2021

### Consolidated statement of changes in equity for the period ended 31 December 2021

	Called up share capital £	Other reserves £	Profit and loss account £	Total shareholders' funds £
<b>For the period ended 31 December 2021</b>				
At 1 May 2021	80	(7,911,102)	41,633,486	33,722,464
<b>Comprehensive income for the period</b>				
Loss for the period	-	-	(45,736)	(45,736)
<b>Total comprehensive expense for the period</b>	-	-	(45,736)	(45,736)
Dividends	-	-	(1,700,000)	(1,700,000)
<b>Total transactions with owners recognised directly in equity</b>	-	-	(1,700,000)	(1,700,000)
<b>At 31 December 2021</b>	<b>80</b>	<b>(7,911,102)</b>	<b>39,887,750</b>	<b>31,976,728</b>
<b>For the year ended 30 April 2021</b>				
At 1 May 2020	80	(7,911,102)	37,835,130	29,924,108
<b>Comprehensive income for the year</b>				
Profit for the financial year	-	-	6,608,356	6,608,356
<b>Total comprehensive income for the year</b>	<b>80</b>	<b>(7,911,102)</b>	<b>44,443,486</b>	<b>36,532,464</b>
Dividends	-	-	(2,810,000)	(2,810,000)
<b>Total transactions with owners recognised directly in equity</b>	-	-	(2,810,000)	(2,810,000)
<b>At 30 April 2021</b>	<b>80</b>	<b>(7,911,102)</b>	<b>41,633,486</b>	<b>33,722,464</b>

## Qualasept Holdings Limited

Directors' Report and Financial Statements for the Period Ended 31 December 2021

### Company statement of changes in equity for the period ended 31 December 2021

	Called up share capital £	Profit and loss account £	Total shareholders ' funds £
<b>For the period ended 31 December 2021</b>			
At 1 May 2021	80	7,567,390	7,567,470
<b>Comprehensive income for the period</b>			
Profit for the financial period	-	4,508,134	4,508,134
<b>Total comprehensive income for the period</b>	-	<b>4,508,134</b>	<b>4,508,134</b>
Dividends	-	(1,700,000)	(1,700,000)
<b>Total transactions with owners recognised directly in equity</b>	-	<b>(1,700,000)</b>	<b>(1,700,000)</b>
<b>At 31 December 2021</b>	<b>80</b>	<b>10,375,524</b>	<b>10,375,604</b>
<b>For the year ended 30 April 2021</b>			
At 1 May 2020	80	6,128,728	6,128,808
<b>Comprehensive income for the year</b>			
Profit for the financial year	-	4,248,662	4,248,662
<b>Total comprehensive income for the year</b>	-	<b>4,248,662</b>	<b>4,248,662</b>
Dividends	-	(2,810,000)	(2,810,000)
<b>Total transactions with owners recognised directly in equity</b>	-	<b>(2,810,000)</b>	<b>(2,810,000)</b>
<b>At 30 April 2021</b>	<b>80</b>	<b>7,567,390</b>	<b>7,567,470</b>



# Qualasept Holdings Limited

Directors' Report and Financial Statements for the Period Ended 31 December 2021

## Consolidated cash flow statement for the period ended 31 December 2021

	Period ended 31 December 2021	Year ended 30 April 2021
	£	£
<b>(Loss)/Profit for the financial period</b>	<b>(45,736)</b>	<b>6,608,356</b>
<b>Adjustments for:</b>		
Tax on profit on ordinary activities	79,021	1,699,802
Interest paid and similar charges	402,811	602,127
Interest received	(248,805)	(395,607)
<b>Operating profit</b>	<b>187,291</b>	<b>8,514,678</b>
Depreciation of fixed assets	897,059	1,382,544
Amortisation of goodwill/licences	12,506	-
(Increase) in stocks	(313,968)	(1,911,263)
Decrease/(Increase) in trade and other debtors	12,293,815	(7,816,798)
(Decrease) in trade and other creditors	(3,056,643)	(4,381,621)
<b>Net cash from operating activities</b>	<b>10,020,059</b>	<b>(4,212,460)</b>
Taxation paid	(710,494)	(1,980,874)
<b>Net cash generated from operating activities</b>	<b>9,309,566</b>	<b>(6,193,334)</b>
<b>Cash flow from investing activities</b>		
Purchase of tangible assets	(500,299)	(796,679)
Purchase of intangible assets	(56,926)	-
Interest received	248,805	395,607
<b>Net cash used in investing activities</b>	<b>(308,420)</b>	<b>(401,072)</b>
<b>Cash flow from financing activities</b>		
(Payments)/Receipts from invoice discounting facility	(3,179,643)	1,721,008
Dividends paid to owners of the ultimate parent company	(1,700,000)	(2,810,000)
Interest paid	(402,811)	(602,127)
<b>Net cash used in financing activities</b>	<b>(5,282,454)</b>	<b>(1,691,119)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>3,718,691</b>	<b>(8,285,525)</b>
Cash and cash equivalents at the beginning of the period	2,156,834	10,442,359
<b>Cash and cash equivalents at the end of the period</b>	<b>5,875,526</b>	<b>2,156,834</b>
<b>Cash and cash equivalents consist of:</b>		
Cash at bank and in hand	5,875,526	2,156,834

## **Qualasept Holdings Limited**

Directors' Report and Financial Statements for the Period Ended 31 December 2021

### **Notes to the financial statements for the period ended 31 December 2021**

#### **1 General information**

Qualasept Holdings Limited operates from two sites in the United Kingdom. The parent company is a private company limited by shares and is registered, domiciled and incorporated in England. Its registered office address is: 3 Corsham Science Park, Park Lane, Corsham, Wiltshire, SN13 9FU.

#### **2 Statement of compliance**

These financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' (FRS 102) and the Companies Act 2006.

#### **3 Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

##### **3.1 Basis of preparation**

These financial statements are prepared on the going concern basis, under the historical cost convention. The principal accounting policies are set out below.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies.

The useful lives of the property, plant and equipment is a critical accounting estimate. The useful economic lives of the company's classes of tangible assets are reviewed regularly and compared with the average useful lives estimated by the company, to ensure depreciation charged matches closely to the benefits obtained over the asset life.

Under Section 408(3) of the Companies Act 2006, the company is exempt from the requirement to present its own statement of comprehensive income.

##### **3.2 Basis of consolidation**

The consolidated financial statements present the results of the group and its subsidiaries as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

Management has concluded that this merger accounting method of preparing the financial statements gives a true and fair view of the group's financial position, financial performance and cash flows. Qualasept Holdings Limited acquired Qualasept Pharmaxo Holdings Limited on 20 May 2016 as part of a group reorganisation, in which the ultimate parent company of the group has changed but there has been no change in control and there is no ultimate controlling party before or after the reorganisation.

All companies in the group use uniform accounting policies.

## **Qualasept Holdings Limited**

Directors' Report and Financial Statements for the Period Ended 31 December 2021

### **Notes to the financial statements for the period ended 31 December 2021 - continued**

#### **3.3 Going concern**

The group meets its day to day working capital requirements through its bank facilities. The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that it should be able to operate within the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its financial statements.

#### **3.4 Revenue recognition**

Turnover is the amount derived from the provision of goods and services falling within the company's ordinary activities excluding value added tax and is recognised when the risks and rewards of ownership are substantially passed to the customer.

#### **3.5 Intangible fixed assets**

Goodwill, being the amount paid in connection with the acquisition of a business in 2006, has been amortised evenly over its estimated useful life of ten years.

A residual value of zero is assumed for intellectual property unless there is a commitment by a third party to purchase an asset or there is an active market for the asset and the residual value can be determined by reference to the market and the market will exist at the end of the asset's useful life.

#### **3.6 Tangible fixed assets**

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is charged to allocate the cost of assets less their residual values over their estimated useful lives. The following annual rates are used:

Leasehold buildings	Written off over the residual term of the lease.
Leasehold property improvements:	Written off over the residual term of the lease.
Plant and equipment (excluding computers):	25% straight line.
Plant and equipment (computers):	33% straight line.

#### **3.7 Leased assets**

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight line basis over the term of the relevant lease.

## **Qualasept Holdings Limited**

Directors' Report and Financial Statements for the Period Ended 31 December 2021

### **Notes to the financial statements for the period ended 31 December 2021 - continued**

#### **3.8 Employee benefits**

The group provides a range of benefits to employees, including bonus arrangements, paid holiday arrangements and defined contribution pension plans. Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

The group operates a quarterly bonus plan for its employees. An expense is recognised in the profit and loss account when the company has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

The group operates a cash-settled long term incentive plan for certain members of management. The plan is based on the business's performance over a three year period against predetermined profitability measures. A liability is raised on the estimated amount payable as at the end of the financial period.

#### **3.9 Pension costs and other post retirement benefits**

The group operates defined contributions pension schemes for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payments obligations. Contributions are recognised in the profit and loss account when they fall due. Amounts not paid are shown in accrual as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

#### **3.10 Valuation of investments**

Investments held as fixed assets are stated at cost less provision for diminution in value.

#### **3.11 Stocks**

Stocks are stated at the lower of cost and net realisable value being the estimated selling value less costs to sell. Cost is based on the cost of purchase on a first in, first out, basis.

At each balance sheet date stocks are assessed for impairment. If stock is impaired, the carrying value is reduced to its selling price less costs to sell. The impairment loss is recognised immediately in the profit and loss account.

#### **3.12 Cash and cash equivalents**

Cash and cash equivalents include cash in hand and at bank with a maturity of three months or less and bank overdrafts. Bank overdrafts and the balance on the invoice discounting facility are shown within borrowings in current liabilities.

#### **3.13 Finance costs**

Finance costs are charged to the profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

## **Qualasept Holdings Limited**

Directors' Report and Financial Statements for the Period Ended 31 December 2021

### **Notes to the financial statements for the period ended 31 December 2021 - continued**

#### **3.14 Financial instruments**

The company holds only basic financial instruments under Section 11 and 12 of FRS 102.

##### **Financial assets**

Basic financial assets, including trade and other receivables and cash and bank balances, are recognised at transaction price unless the arrangement constitutes a financing transaction. Where the transaction is measured at the present value of the future receipts discounted at a market rate of interest, such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. 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 statement of comprehensive income.

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 statement of comprehensive income.

Financial assets are derecognised when (i) the contractual rights to the cash flow from the asset expire or are settled, or (ii) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (iii) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

##### **Financial liabilities**

Basic financial liabilities, including trade and other payables, overdrafts and bank loans 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 receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case the fee is deferred until draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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

Financial liabilities are derecognised when the liability is extinguished, i.e. when the contractual obligation is discharged, is cancelled or expires.

## **Qualasept Holdings Limited**

Directors' Report and Financial Statements for the Period Ended 31 December 2021

### **Notes to the financial statements for the period ended 31 December 2021 - continued**

#### **3.14 Financial instruments - continued**

##### **Offsetting**

Financial assets and liabilities are offset and 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.

#### **3.15 Provisions and contingencies**

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the profit and loss account in the period that the company becomes aware of the obligation and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made they are utilised against the provision carried in the balance sheet.

Contingent liabilities are not recognised except those acquired in a business combination. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the group's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

#### **3.16 Taxation**

The tax expense for the period comprises current and deferred tax.

##### **Current tax**

Current tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

##### **Deferred tax**

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

## **Qualasept Holdings Limited**

**Directors' Report and Financial Statements for the Period Ended 31 December 2021**

### **Notes to the financial statements for the period ended 31 December 2021 - continued**

#### **3.17 Impairment of non-financial assets**

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the assets may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset.

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the statement of comprehensive income.

If an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in earlier periods. A reversal of an impairment loss is recognised in the statement of comprehensive income.

#### **3.18 Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### **3.19 Distributions to equity holders**

Dividends and other distributions to the group's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the shareholders. These amounts are recognised in the statement of changes in equity.

#### **3.2 Related party transactions**

The company discloses transactions with related parties which are not wholly owned within the Qualasept Holdings Limited group of companies. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the group's financial statements.

#### **3.21 Foreign Currencies**

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

#### **3.22 Research and development**

Research and development costs are written off in the profit and loss account in the period in which they are incurred.

## Qualasept Holdings Limited

Directors' Report and Financial Statements for the Period Ended 31 December 2021

### Notes to the financial statements for the period ended 31 December 2021 - continued

#### 4 Turnover

The following table provides an analysis of the Group's turnover by geographical market, irrespective of the origin of the products:

	Period ended 31 December 2021 £	Year ended 30 April 2021 £
United Kingdom	158,115,506	259,604,030
Rest of the world	386,913	1,054,443
	<b>158,502,419</b>	<b>260,658,473</b>

#### 5 Operating profit

Operating profit is stated after charging:

	Period ended 31 December 2021 £	Year ended 30 April 2021 £
Wages and salaries	6,451,221	10,094,825
Social security costs	1,590,294	893,681
Other pension costs	716,414	1,023,604
<b>Staff costs</b>	<b>8,757,929</b>	<b>12,012,110</b>

#### Depreciation of tangible fixed assets

– owned assets	897,059	1,382,544
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#### Operating lease charges

– plant and machinery	59,418	92,845
– other	195,721	332,404

#### Services provided by the company's auditor

Fees payable for the audit of consolidation and parent	5,333	8,000
Fees payable for the audit of subsidiaries	46,797	37,000

#### Research and development expenditure

1,493,940	1,790,061
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#### Write Off of Event Store Loan

1,842,994
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## Qualasept Holdings Limited

Directors' Report and Financial Statements for the Period Ended 31 December 2021

### Notes to the financial statements for the period ended 31 December 2021 - continued

	Period ended 31 December 2021	Year ended 30 April 2021
	£	£
<b>6 Directors' emoluments</b>		
Aggregate emoluments	491,966	789,786
Retirement benefits: contributions to money purchase pension scheme	56,906	105,711
Sums paid to third parties for directors' services	75,840	113,760
	<b>624,711</b>	<b>1,009,257</b>

Retirement benefits were accruing to 5 (to 30 April 2021: 8) directors under a defined contributions scheme. The highest paid director received remuneration of £163,279 (30 April 2021: £260,303). The value of pension contributions in respect of the highest paid director was £16,887 (30 April 2021: £16,038).

## Qualasept Holdings Limited

Directors' Report and Financial Statements for the Period Ended 31 December 2021

### Notes to the financial statements for the period ended 31 December 2021 - continued

#### 7 Employee information

The company does not employ any staff directly. The average monthly number of persons (including executive directors) employed by the group during the period was:

	Period ended 31 December 2021	Year ended 30 April 2021
<b>By activity</b>		
Production and Dispensing	226	222
Administration	125	104
Selling	10	7
Nursing	45	33
	<b>406</b>	<b>366</b>

#### 8 Interest payable and similar charges

Interest payable on overdrafts and bank loans

	Period ended 31 December 2021 £	Year ended 30 April 2021 £
	<b>402,812</b>	<b>602,127</b>

#### 9 Tax on profit on ordinary activities

##### Current tax:

UK corporation tax on profits for the period

Adjustments in respect of prior periods

**Total current tax**

	Period ended 31 December 2021 £	Year ended 30 April 2021 £
	<b>49,592</b>	<b>1,694,265</b>
	<b>5,854</b>	<b>62,678</b>
	<b>55,446</b>	<b>1,756,943</b>

##### Deferred tax:

Origination and reversal of timing differences

Adjustments in respect of prior periods

Changes in tax rates or laws

**Total deferred tax charge / (credit)**

	Period ended 31 December 2021 £	Year ended 30 April 2021 £
	<b>(30,821)</b>	<b>(18,770)</b>
	<b>(64,404)</b>	<b>(38,371)</b>
	<b>118,800</b>	
	<b>23,575</b>	<b>(57,141)</b>
	<b>79,021</b>	<b>1,699,802</b>

**Tax on profit on ordinary activities**

## Qualasept Holdings Limited

Directors' Report and Financial Statements for the Period Ended 31 December 2021

### Notes to the financial statements for the period ended 31 December 2021 - continued

#### 9 Tax on profit on ordinary activities - continued

	Period ended 31 December 2021 £	Year ended 30 April 2021 £
The charge for the period can be reconciled to the profit per the statement of comprehensive income as follows:		
Profit on ordinary activities before taxation for the period - continuing operation	33,285	8,308,158
Tax on profit at the standard UK tax rate of 19% (2019 19%)	6,324	740,650
Additional deduction for R&D expenditure/R&D credit	-	9,879
Expenses not deductible	74,372	96,566
Fixed asset differences	(1,411)	-
Income not taxable	(53,119)	828,400
Effects of group relief / other relief	-	-
Adjustments from previous periods	(21,121)	62,678
Adjustments from previous periods - deferred tax	(37,429)	(38,371)
Tax rate changes	(28,432)	-
Effect of rate change on deferred tax	139,837	-
	<b>79,021</b>	<b>1,699,802</b>

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2021 (on 10 June 2021). These included increases to the main rate to 25% from 1 April 2023. On 23 September 2022, the Chancellor of the Exchequer announced that this increase would no longer be implemented and that the main rate would remain at 19%. As this was not enacted at the Balance Sheet date, this announcement does not represent an adjusting event to the company's deferred tax balances at that date. Deferred tax has been recognised across the group at a rate of 25%, being the corporation tax rate substantively enacted at the balance sheet date.

	Goodwill £	License £	Total £
<b>10 Intangible assets</b>			
<b>Cost or valuation</b>			
At 1 May 2021	104,649	106,259	210,908
Additions	-	56,926	56,926
<b>At 31 December 2021</b>	<b>104,649</b>	<b>163,185</b>	<b>267,834</b>
<b>Accumulated amortisation</b>			
At 1 May 2021	104,649	87,767	192,416
Charge for period	-	12,506	12,506
<b>At 31 December 2021</b>	<b>104,649</b>	<b>100,273</b>	<b>204,922</b>
<b>Net Book Value</b>			
<b>At 31 December 2021</b>	<b>-</b>	<b>62,912</b>	<b>62,912</b>
At 30 April 2021	-	18,492	18,492

**Qualasept Holdings Limited**

Directors' Report and Financial Statements for the Period Ended 31 December 2021

**Notes to the financial statements for the period ended 31 December 2021 - continued**

	Leasehold property improvements £	Plant & equipment £	Total £
<b>11 Tangible assets</b>			
<b>Cost or valuation</b>			
At 1 May 2021	3,362,821	8,548,128	11,910,949
Additions	89,710	410,589	500,299
<b>At 31 December 2021</b>	<b>3,452,531</b>	<b>8,958,717</b>	<b>12,411,248</b>
<b>Accumulated depreciation</b>			
At 1 May 2021	860,401	5,339,986	6,200,387
Charge for the period	174,692	722,366	897,059
<b>At 31 December 2021</b>	<b>1,035,093</b>	<b>6,062,353</b>	<b>7,097,446</b>
<b>Net Book Value</b>			
<b>At 31 December 2021</b>	<b>2,417,438</b>	<b>2,896,364</b>	<b>5,313,802</b>
At 30 April 2021	2,502,420	3,208,142	5,710,562
<b>12 Investments - shares in group undertakings</b>			
	Investments in subsidiaries £		
<b>Cost</b>			
At 1 May 2021	7,984,810		
At 31st December 2021	7,984,810		
<b>Net book value</b>			
At 31 December 2021 and 30 Apr 2021	7,984,810		

The directors believe that the carrying value of the investments is supported by their underlying net assets.

## Qualasept Holdings Limited

Directors' Report and Financial Statements for the Period Ended 31 December 2021

### Notes to the financial statements for the period ended 31 December 2021 - continued

#### 12 Investments - shares in group undertakings - continued

##### Subsidiaries

Name	Country of Incorporation	Class of shares	Holding	Principal activity
Qualasept Limited 3 Corsham Science Park Park Lane, Corsham, SN13 9FU	England and Wales	Ordinary	100%	Supply of pharmaceutical products and services
Pharmaxo Pharmacy Services Limited 3 Corsham Science Park Park Lane, Corsham, SN13 9FU	England and Wales	Ordinary	100%	Supply of
Microgenetics Limited 3 Corsham Science Park Park Lane, Corsham, SN13 9FU	England and Wales	Ordinary	100%	Supply of microbiology and pathology quality control
Qualasept Pharmaxo Holdings Limited 3 Corsham Science Park Park Lane, Corsham, SN13 9FU	England and Wales	Ordinary	100%	Supply of pharmaceutical products and services

During the period the company received dividends of £6,570,000 from Qualasept Pharmaxo Holdings Limited (30 April 2021: £4,930,000).

Corsham Science Limited 3 Corsham Science Park Park Lane, Corsham, SN13 9FU	England and Wales	Ordinary	100%	Research and development of pharmaceutical products and services
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Group		Company	
As at 31 December 2021	As at 30 April 2021	As at 31 December 2021	As at 30 April 2021
£	£	£	£
12,593,153	12,419,282	-	-
527,568	387,471	-	-
13,120,721	12,806,753	-	-

#### 13 Stocks

Raw materials and consumables
Finished goods and goods for resale

The carrying amount of stocks is stated after adjusting the original purchase price of drugs that fall under the Patient Access Scheme by £2,805,344 (30 April 2021: £2,838,768), to reflect the net realisable value of these drugs on sales to the NHS. This difference will be offset in 2022 statement of comprehensive income when rebates are claimed from our pharma suppliers based on doses sold to NHS hospitals. Stocks are stated after impairment provisions of £196,297 (30 April 2021: £117,768). The value of stocks recognised as an expense during the period was £138,229,178 (30 April 2021: £226,313,760).

## Qualasept Holdings Limited

Directors' Report and Financial Statements for the Period Ended 31 December 2021

### Notes to the financial statements for the period ended 31 December 2021 - continued

	Group		Company	
	As at 31 December 2021	As at 30 April 2021	As at 31 December 2021	As at 30 April 2021
	£	£	£	£
<b>14 Debtors</b>				
Trade debtors	27,802,880	29,945,915	-	-
Other debtors	1,881,433	2,819,984	1,207,006	2,149,315
Corporation tax	717,042	-	-	-
Other taxation and social security	1,280,363	1,113,128	-	2,050
Prepayments and accrued income	18,066,056	28,162,562	-	-
	<b>49,747,774</b>	<b>62,041,589</b>	<b>1,207,006</b>	<b>2,151,365</b>

	Group		Company	
	As at 31 December 2021	As at 30 April 2021	As at 31 December 2021	As at 30 April 2021
	£	£	£	£
<b>15 Current asset investments</b>				
Preference shares	5,000,000	5,000,000	5,000,000	5,000,000
	<b>5,000,000</b>	<b>5,000,000</b>	<b>5,000,000</b>	<b>5,000,000</b>

The preference shares have a fixed cumulative preferential dividend rate of 3.0% per annum. The preference shares can be redeemed at the option of the issuer at any time.

	Group		Company	
	As at 31 December 2021	As at 30 April 2021	As at 31 December 2021	As at 30 April 2021
	£	£	£	£
<b>16 Creditors: amounts falling due within one year</b>				
Bank loans and overdrafts	963,253	4,142,895	-	-
Trade creditors	34,714,043	39,036,712	-	-
Amounts owed to group undertakings	-	-	-	253,062
Corporation tax	-	109,144	26,060	-
Other creditors	281,245	831,279	-	490,000
Accruals and deferred income	3,783,290	2,513,135	231,639	204,165
	<b>39,741,831</b>	<b>46,633,165</b>	<b>257,699</b>	<b>947,226</b>

## Qualasept Holdings Limited

Directors' Report and Financial Statements for the Period Ended 31 December 2021

### Notes to the financial statements for the period ended 31 December 2021 - continued

#### 16 Creditors: amounts falling due within one year - continued

The amounts owed to the parent company are unsecured, interest free and have no set repayment date.

The invoice discounting bank borrowings are secured by way of a floating charge against all the undertaking of Qualasept Limited and all its property, at a discount margin based on the Bank of England's Base Rate.

There are also cross-guarantees in place from Qualasept Holdings Limited, Qualasept Pharmaxo Holdings Limited and Pharmaxo Pharmacy Services Limited in respect of Qualasept Limited's agreement with HSBC Invoice Finance (UK) Limited under which Qualasept Limited's indebtedness to the lender was £2,081 as at 31 December 2021 (30 April 2021: £173,921) and Pharmaxo Pharmacy Services Limited's was £961,171 (30 April 2021: £3,968,975)

	Group		Company	
	As at 31 December 2021	As at 30 April 2021	As at 31 December 2021	As at 30 April 2021
	£	£	£	£

#### 17 Creditors: amounts falling due after more than one year

##### Amounts falling due between one and five years

Preference shares

6,938,000	6,938,000	6,938,000	6,938,000
6,938,000	6,938,000	6,938,000	6,938,000

	As at 31 December 2021	As at 30 April 2021
	£	£

#### 18 Financial instruments

##### Financial assets

Financial assets that are debt instruments measured at amortised cost

54,688,369 60,928,461

##### Financial liabilities

Financial liabilities measured at amortised cost

46,679,831 53,462,021

Financial assets measured at amortised cost comprise trade debtors and other debtors, preference shares and prepayments and accrued income.

Financial liabilities measured at amortised cost comprise loans and overdrafts, trade creditors, other creditors and accruals and deferred income.

# Qualasept Holdings Limited

Directors' Report and Financial Statements for the Period Ended 31 December 2021

## Notes to the financial statements for the period ended 31 December 2021 - continued

	Group		Company	
	As at 31 December 2021 £	As at 30 April 2021 £	As at 31 December 2021 £	As at 30 April 2021 £
<b>19 Deferred Tax</b>				
Provision at start of period	440,601	497,742	-	-
Deferred tax charge/(credit) to income statement for the period (see note 9)	23,575	(57,141)	-	-
<b>Total provision for deferred tax</b>	<b>464,176</b>	<b>440,601</b>	-	-
Fixed asset timing differences	547,596	510,951	-	-
Short term timing differences	(83,420)	(70,350)	-	-
	<b>464,176</b>	<b>440,601</b>	-	-

	As at 31 December 2021 £	As at 30 April 2021 £
<b>20 Called up share capital</b>		
<b>Allotted, issued and fully paid</b>		
8000 (30 April 2021: 8000) ordinary shares of £0.01 each	80	80

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

	As at 31 December 2021 £	As at 30 April 2021 £
<b>Preference shares</b>		
6,938,000 (30 April 2021: 6,938,000) preference shares of £1 each	<b>6,938,000</b>	<b>6,938,000</b>

The preference shares are classified as liabilities on the balance sheet.

The Preference shares carry a fixed cumulative preferential dividend at the rate of 3.0% per annum, payable annually in arrears on 20 May. The Preference shares shall be redeemable for a price of £1 per Preference share in the event of a sale of 100% of the Ordinary shares of the company, but not in any other circumstances. On a winding-up, the holders have equal priority with 'A' Preference share holders before all Ordinary Share holders to receive repayment of capital plus any arrears of dividend. The holders have no voting rights.



## Qualasept Holdings Limited

Directors' Report and Financial Statements for the Period Ended 31 December 2021

### Notes to the financial statements for the period ended 31 December 2021 - continued

	Period ended 31 December 2021 £	Year ended 30 April 2021 £
<b>21 Dividends</b>		
Dividends paid on equity capital:		
Final	1,430,000	1,490,000
Interim: £33.75 (to 30 April 2021: £103.75) per £0.01 share	270,000	1,320,000
	<b>1,700,000</b>	<b>2,810,000</b>

	As at 31 December 2021 £	As at 30 April 2021 £
<b>22 Financial commitments</b>		
At 31 December the group had future minimum lease payments under non-cancellable operating leases as follows:		
Within one year	733,494	620,978
Within two to five years	1,845,805	1,388,492
Over 5 years	2,692,861	1,617,099
	<b>5,272,160</b>	<b>3,626,569</b>

#### 23 Pension commitments

The cost of contributions to the defined contribution schemes amounts to £791,484 (30 April 2021: £1,059,070). Contributions outstanding as at 31 December 2021 amounted to £92,506 (2020: £73,551).

#### 24 Other related party transactions

Efeedback Research Limited provided consultancy and software support services to the Corsham Science Limited and Pharmaxo Pharmacy Services Limited to the value of £470,100 (30 April 2021: £632,526) with nil outstanding as at 31 December 2021 (30 April 2021: £92,506). C Watt is a director of all three companies.

Event Store Limited (previously known as Event Store LLP) provided software support services to Qualasept Limited to the value of £16,494 (30 April 2021: £6,475), with nil outstanding as at 31 December 2021 (30 April 2021: £7,770). Mr C Watt is a shareholder of Event Store Limited. Qualasept Holdings Limited provided convertible debt funding support to Event Store Limited totalling £2,650,000 in tranches drawn down on 2 September 2020, 14 October 2020, 3 December 2020, 15 February 2021 and 1 June 2021. The debt plus accrued interest to date at 8% converted into equity in Event Store Limited at a valuation of £807,006 on 1 December 2021. Any further payments under the original loan agreement were cancelled. The Event Store shares held by the group were sold on 28th February 2022.

During the financial period, further funding support in the form of a non-convertible loan has been made totalling £400,000 drawn down in tranches on 8 October 2021 and 2 December 2021. A further £150,000 was drawn down on 19 January 2022.

Directors' loan accounts were overdrawn by £673,293 as at 31 December 2021 (30 April 2021: £664,322). This amount pertained in entirety to C Watt, and was drawn down on 3 October 2016, 10 March 2017, 25 May 2017 and 24 July 2017. Interest has been accumulating in accordance with HMRC rules in respect of preferential loans.

## **Qualasept Holdings Limited**

**Directors' Report and Financial Statements for the Period Ended 31 December 2021**

### **Notes to the financial statements for the period ended 31 December 2021 - continued**

#### **25 Ultimate controlling party**

The company does not have a known ultimate controlling party as the current share distribution gives no individual party or group overall control over the company.