

Company Registration No. 12420613 (England and Wales)

**ACETO UK HOLDING LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2020**



# ACETO UK HOLDING LIMITED

## COMPANY INFORMATION

---

<b>Directors</b>	J Steele	{Appointed 11 December 2020}
	A Luxenburger	{Appointed 10 November 2021}
	B Foster	{Appointed 10 November 2021}
<b>Company number</b>	12420613	
<b>Registered office</b>	100 Avebury Boulevard Milton Keynes MK9 1FH	
<b>Auditor</b>	Xeinadin Audit Limited 2 Hilliards Court Chester Business Park Chester Cheshire CH4 9PX	

---

# ACETO UK HOLDING LIMITED

## CONTENTS

---

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditor's report	5 - 7
Profit and loss account	8
Group statement of comprehensive income	9
Group balance sheet	10
Company balance sheet	11
Group statement of changes in equity	12
Company statement of changes in equity	13
Group statement of cash flows	14
Notes to the financial statements	15 - 32

---

# ACETO UK HOLDING LIMITED

## STRATEGIC REPORT

### FOR THE PERIOD ENDED 31 DECEMBER 2020

---

The directors present the strategic report for the period ended 31 December 2020.

#### **Fair review of the business**

Aceto UK Holding Limited was incorporated on 23 January 2020 and is a subsidiary of Aceto Corporation. These accounts are for the period from incorporation to 31 December 2020.

The Group acquired 100% of the shares of Syntor Fine Chemicals (Holdings) Limited on 16 April 2020, a UK entity with operations and management predominantly based in the UK. Because the target company was organised and operated in the UK, a UK acquisition vehicle, Aceto UK Holding Limited ("Aceto UK"), was formed to make the acquisition (as opposed to an acquisition / holding company organised in a different jurisdiction). Additional acquisitions were made under Aceto UK because the UK is a common and relatively less complicated holding company jurisdiction with a robust and transparent legal system, has a large treaty network, and its proximity, political relationships, and strong business connections with jurisdictions where Aceto was expanding and expects to expand (e.g., Ireland, Europe).

The 2020 results show revenue at £9.4m, gross profit of £2.4m (26% of sales) with operating profit at £0.2m. The Group's balance sheet reflects growth opportunities and continued investment in preparation / infrastructure to be as responsive to our customers as possible on new products and stocks will increase to service stronger sales in 2021.

To improve the results in 2021 we continue to work with our clients to deliver best in class, cost effective solutions to new product opportunities underlining our strong capabilities in R&D, supply chain and delivery. Greater instability in the Asian marketplace has seen prices change reflect the quickly changing costs of raw materials.

The businesses use specific key performance indicators (KPIs) to measure and monitor performance and improvement. In addition to the standard financial KPIs, additional KPIs have been developed for health & safety, operations, quality and customers. A review of the KPIs is completed by management in line with guidance and action is taken to improve performance and achieve the targeted metric.

#### **Principal risks and uncertainties**

The Group is exposed to general and industry specific business risks including the following:

##### **1 - Currency risks**

With more than 95% of the Group's business conducted in currency other than the GBP, there is the risk that a devaluation of a specific currency can negatively impact the financial results. However, where possible we try and match material costs to revenue, albeit that is not always possible. Additionally, with the majority of the overheads in GBP there is a foreign exchange exposure of c.£1.5m. To mitigate this, we are able to time currency conversions to maximum rate advantage, due to cash resources available.

##### **2 - Government regulations / geopolitical risks**

Most of our business (over 95%) is conducted in countries that have stable governments and generally low risks of geopolitical challenges or sudden, drastic changes in regulations. This includes countries in the United Kingdom, Western Europe and USA. The remainder of the countries where we conduct business may have different risk profiles and some may experience rapid changes due to economic circumstances, regional or local geopolitical activities or regulatory standard modification or enforcement practices. To minimise the impact of these risks, we monitor overall customer exposure to limit its concentration by region, by country and by customer when entering an area that is perceived as less stable. Besides diversification, we occasionally may employ policies that include requiring payment in advance of goods, establishing low credit limits, etc. These policies may reduce revenue, but the intent is to match the revenue opportunity and the risk profile appropriately to maximise net results.

The current crisis in Ukraine with Russia is not expected to have a direct impact on the business. Sales over the past year were £0.2m in Russia and £nil in Ukraine and no materials are purchased from either country. Like other companies, we are exposed to the macro-economic of inflation, and where possible, it will be mitigated.

## **ACETO UK HOLDING LIMITED**

### **STRATEGIC REPORT (CONTINUED)**

**FOR THE PERIOD ENDED 31 DECEMBER 2020**

---

#### **3 - COVID-19**

The coronavirus pandemic has marginally impacted our business. As a virtual manufacturer of chemicals, primarily pharmaceutical products, we were considered an essential business. Syntor complied with all government and NIS directed and recommended protocols and have implemented them within the business including increased sanitation stations, minimised travel, social-distancing and "work from home" for as many of the staff as possible. Although the business has seen some volatility with shifting geographic and product mix, it is running at a stable and sustainable level. With the concerted effort to control costs, the operating results should meet expectations.

#### **4 - Brexit**

The Group continues to monitor the impact of Brexit. The main warehouses for EU supply are now located in Netherlands and Belgium for Syntor products, which improves product flow and controls logistics costs. The Group does not anticipate Brexit to have a material impact on the business.

#### **Future Developments**

The Company is a holding company for acquisitions, mainly with a European presence. The following acquisitions have occurred to date:

- Syntor Fine Chemicals (Holdings) Limited was acquired on 16 April 2020
- A&C American Chemicals Limited (Canada) and A&C Chemicals (Europe) Limited were acquired on 1 April 2021
- A&C Bio Buffer Limited and Lukor Holdings Europe Limited on 8 October 2021.

Aceto UK Holding Limited, is a subsidiary of Aceto Corporation, who is based in USA and has significant interests in the EU. Aceto's ultimate parent is New Mountain Capital LLC, a large New York based investment firm. Further strategic acquisitions to expand Aceto are planned.

The Group has positioned its organisation and business activities to be successful in a balanced manner allowing us to adapt to changing market conditions and is well placed to meet our financial obligations on a timely basis. The proactive approach to new opportunities combined with the lean and balanced approach, allows quick adaption to changing requirements within the industry for products and operations.

On behalf of the board

J Steele

**Director**

20 April 2022

# ACETO UK HOLDING LIMITED

## DIRECTORS' REPORT

### FOR THE PERIOD ENDED 31 DECEMBER 2020

---

The directors present their annual report and financial statements for the period ended 31 December 2020.

Aceto UK Holding Limited was incorporated on 23 January 2020.

#### Principal activities

The principal activity of the company is that of a holding company and the group is that of chemical manufacturing.

#### Results and dividends

The results for the period are set out on page 8.

No ordinary dividends were paid or recommended.

#### Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

J Steele	(Appointed 11 December 2020)
J Walker	(Appointed 23 January 2020 and resigned 10 November 2021)
A Moura	(Appointed 23 January 2020 and resigned 10 November 2021)
M Dibello	(Appointed 23 January 2020 and resigned 11 December 2020)
A Luxenburger	(Appointed 10 November 2021)
B Foster	(Appointed 10 November 2021)

#### Qualifying third party indemnity provisions

The trading company, Syntor Fine Chemicals Limited, has made qualifying third party indemnity provisions for the benefit of its directors during the period. These provisions remain in force at the reporting date.

#### Auditor

Xeinadin Audit Limited were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

# ACETO UK HOLDING LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE PERIOD ENDED 31 DECEMBER 2020**

---

### Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

### Strategic report

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of risks and future developments.

### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

J Steele  
Director

20 April 2022

# ACETO UK HOLDING LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF ACETO UK HOLDING LIMITED

---

#### Opinion

We have audited the financial statements of Aceto UK Holding Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 December 2020 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 group's and the parent company's affairs as at 31 December 2020 and of the group's loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent 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 group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

#### Other information

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

We have nothing to report in this regard.



# **ACETO UK HOLDING LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ACETO UK HOLDING LIMITED**

---

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

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

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the parent company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Enquiries of management and those charged with governance were held in order to identify any laws and regulations that could be expected to have a material impact on the financial statements. Throughout the audit, the team were updated with the outcomes of these enquiries including consideration as to where and how fraud may occur in the group.

The audit procedures undertaken to address any potential risk in relation to irregularities (which include fraud and non-compliance with laws and regulations) included: enquiries of management and those charged with governance on how the group complies with relevant laws, regulations and any cases of actual or potential litigation or claims; examination of appropriate legal correspondence; testing of journal entries for appropriateness; and analytical procedures on account balances to identify variances against expectation which may show indications of fraud.

## **ACETO UK HOLDING LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ACETO UK HOLDING LIMITED**

---

No instances of material non-compliance were identified, although the prospect of detecting irregularities, including fraud, is inherently difficult. This is due to; difficulty in detecting irregularities; limits imposed by the effectiveness of the entity's controls; and the nature, timing and extent of the audit procedures performed. Irregularities as a result of fraud are inherently more difficult to detect than those that resulting from error. Despite the audit being planned and performed in accordance with ISAs (UK), there is an unavoidable risk that material misstatements may not be detected.

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

#### **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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Michael Caputo FCA (Senior Statutory Auditor)**  
**For and on behalf of Xeinadin Audit Limited**

20 April 2022

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

2 Hilliards Court  
Chester Business Park  
Chester  
Cheshire  
CH4 9PX

# ACETO UK HOLDING LIMITED

## GROUP PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31 DECEMBER 2020

	Notes	Period ended 31 December 2020 £
Turnover	3	9,397,361
Cost of sales		(6,972,232)
<b>Gross profit</b>		<b>2,425,129</b>
Administrative expenses		(2,267,950)
<b>Operating profit</b>	<b>4</b>	<b>157,179</b>
Interest receivable and similar income	8	2,762
<b>Profit before taxation</b>		<b>159,941</b>
Tax on profit	9	(222,737)
<b>Loss for the financial period</b>	<b>22</b>	<b>(62,796)</b>

(Loss)/profit for the financial period is all attributable to the owners of the parent company.

# ACETO UK HOLDING LIMITED

## GROUP STATEMENT OF COMPREHENSIVE INCOME

*FOR THE PERIOD ENDED 31 DECEMBER 2020*

---

	Period ended 31 December 2020 £
Loss for the period	(62,796)
Other comprehensive income	-
<b>Total comprehensive income for the period</b>	<b>(62,796)</b>

---

---

Total comprehensive income for the period is all attributable to the owners of the parent company.

# ACETO UK HOLDING LIMITED

## GROUP BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£
<b>Fixed assets</b>			
Goodwill	10		9,938,013
Other intangible assets	10		3,785,368
			<hr/>
Total intangible assets			13,723,381
Tangible assets	11		130,647
			<hr/>
			13,854,028
<b>Current assets</b>			
Stocks	15	1,828,503	
Debtors	16	2,928,521	
Cash at bank and in hand		2,100,378	
		<hr/>	
		6,857,402	
<b>Creditors: amounts falling due within one year</b>	17	(2,065,845)	
		<hr/>	
<b>Net current assets</b>			4,791,557
			<hr/>
<b>Total assets less current liabilities</b>			18,645,585
			<hr/>
<b>Provisions for liabilities</b>			
Deferred tax liability	18	13,572	
		<hr/>	(13,572)
			<hr/>
<b>Net assets</b>			18,632,013
			<hr/>
<b>Capital and reserves</b>			
Called up share capital	20		1
Other reserves	21		18,694,808
Profit and loss reserves	22		(62,796)
			<hr/>
<b>Total equity</b>			18,632,013
			<hr/>

The financial statements were approved by the board of directors and authorised for issue on 20 April 2022 and are signed on its behalf by:

J Steele  
Director

# ACETO UK HOLDING LIMITED

## COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£
<b>Fixed assets</b>			
Investments	12		18,694,809
<b>Current assets</b>			
Debtors	16	2,850	
<b>Creditors: amounts falling due within one year</b>	17	(15,000)	
<b>Net current liabilities</b>			(12,150)
<b>Net assets</b>			18,682,659
<b>Capital and reserves</b>			
Called up share capital	20		1
Other reserves	21		18,694,808
Profit and loss reserves	22		(12,150)
<b>Total equity</b>			18,682,659

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £12,150.

The financial statements were approved by the board of directors and authorised for issue on 20 April 2022 and are signed on its behalf by:

J Steele  
Director

Company Registration No. 12420613

# ACETO UK HOLDING LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2020

		Share capital	Other reserves	Profit and loss reserves	Total
	Notes	£	£	£	£
Balance at 23 January 2020		-	-	-	-
Period ended 31 December 2020:					
Loss and total comprehensive income for the period		-	-	(62,796)	(62,796)
Issue of share capital	20	1	-	-	1
Capital contribution	21	-	18,694,808	-	18,694,808
Balance at 31 December 2020		1	18,694,808	(62,796)	18,632,013

# ACETO UK HOLDING LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2020

		Share capital	Other reserves	Profit and loss reserves	Total
	Notes	£	£	£	£
Balance at 23 January 2020		-	-	-	-
Period ended 31 December 2020:					
Loss and total comprehensive income for the period		-	-	(12,150)	(12,150)
Issue of share capital	20	1	-	-	1
Capital contribution	21	-	18,694,808	-	18,694,808
Balance at 31 December 2020		1	18,694,808	(12,150)	18,682,659



# ACETO UK HOLDING LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 DECEMBER 2020

	Notes	2020 £	£
<b>Cash flows from operating activities</b>			
Cash absorbed by operations	27	(119,912)	
Income taxes refunded		223	
			<hr/>
<b>Net cash outflow from operating activities</b>			(119,689)
<b>Investing activities</b>			
Purchase of business		2,240,717	
Purchase of tangible fixed assets		(23,412)	
Interest received		2,762	
		<hr/>	
<b>Net cash generated from/(used in) investing activities</b>			2,220,067
			<hr/>
<b>Net increase in cash and cash equivalents</b>			2,100,378
Cash and cash equivalents at beginning of period			-
			<hr/>
<b>Cash and cash equivalents at end of period</b>			2,100,378
			<hr/> <hr/>

# ACETO UK HOLDING LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS

**FOR THE PERIOD ENDED 31 DECEMBER 2020**

---

### **1 Accounting policies**

#### **Company information**

Aceto UK Holding Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 100 Avebury Boulevard, Milton Keynes, MK9 1FH.

The group consists of Aceto UK Holding Limited and all of its subsidiaries.

#### **1.1 Reporting period**

The current year figures presented in the financial statements cover the period from incorporation 23 January 2020 to 31 December 2020. However trade did not commence until 16 April 2020 on the acquisition of Syntor Fine Chemicals (Holdings) Limited. The current period is to 31 December 2020 to align with the group.

#### **1.2 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

Aceto UK Holding Limited is a wholly owned subsidiary of Aceto US L.L.C. Aceto UK Holding Limited wholly own Syntor Fine Chemicals (Holdings) Limited who in turn wholly own Syntor Fine Chemicals Limited. The results are included in the consolidated financial statements of Aceto US L.L.C, a company registered in the USA.

# ACETO UK HOLDING LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

---

### 1 Accounting policies

(Continued)

#### 1.3 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

#### 1.4 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Aceto UK Holding Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

The financial statements of Aceto UK Holding Limited are made up to 31 December 2020. The subsidiaries statutory financial statements are made up to 31 March 2021 and as such the transactions from the period of acquisition being 16 April 2020 to 31 December 2020 have been included into the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

#### 1.5 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.6 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

# ACETO UK HOLDING LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

### 1 Accounting policies

(Continued)

#### 1.7 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

#### 1.8 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases annually:

Patents & licences	10% on cost
Know how	8.33% on cost

#### 1.9 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases annually:

Leasehold improvements	15% on cost
Plant and equipment	15% on cost
Fixtures and fittings	15% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

#### 1.10 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

# ACETO UK HOLDING LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

---

### 1 Accounting policies

(Continued)

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.11 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.12 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.13 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# ACETO UK HOLDING LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

---

### 1 Accounting policies

(Continued)

#### 1.14 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

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

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.

##### **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 financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

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

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

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

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

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group 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 party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

# ACETO UK HOLDING LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

---

### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

#### **Other financial liabilities**

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

### 1.15 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

### 1.16 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# ACETO UK HOLDING LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

---

### 1 Accounting policies

(Continued)

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.17 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.18 Retirement benefits**

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

#### **1.19 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

#### **1.20 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.



# ACETO UK HOLDING LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### Stock provision

Stock is assessed for impairment at each reporting date. The carrying amount of stock is compared to its net realisable value, and any excess is recognised as an impairment loss immediately in profit or loss. Stock is held in the accounts at £1,828,503.

### 3 Turnover and other revenue

	2020 £
<b>Turnover analysed by class of business</b>	
Sales of goods	9,397,361
	<u><u>9,397,361</u></u>
	2020 £
<b>Turnover analysed by geographical market</b>	
United Kingdom	181,552
Europe	8,253,444
USA	132,557
Rest of the world	829,808
	<u><u>9,397,361</u></u>
	2020 £
<b>Other revenue</b>	
Interest income	2,762
	<u><u>2,762</u></u>

# ACETO UK HOLDING LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

### 4 Operating profit

2020  
£

Operating profit for the period is stated after charging/(crediting):

Exchange gains	(48,220)
Depreciation of owned tangible fixed assets	26,336
Amortisation of intangible assets	978,285
Operating lease charges	77,605
	<u><u>          </u></u>

### 5 Auditor's remuneration

2020  
£

Fees payable to the company's auditor and associates:

<b>For audit services</b>	
Audit of the financial statements of the group and company	15,000
	<u><u>          </u></u>

### 6 Employees

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

	Group 2020 Number	Company 2020 Number
Management	14	-
Production	7	-
	<u>          </u>	<u>          </u>
Total	21	-
	<u><u>          </u></u>	<u><u>          </u></u>

Their aggregate remuneration comprised:

	Group 2020 £	Company 2020 £
Wages and salaries	537,833	-
Social security costs	57,175	-
Pension costs	11,070	-
	<u>          </u>	<u>          </u>
	606,078	-
	<u><u>          </u></u>	<u><u>          </u></u>

### 7 Directors' remuneration

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 0.

# ACETO UK HOLDING LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

### 7 Directors' remuneration (Continued)

As total directors' remuneration was less than £200,000 in the current period, no disclosure is provided for that period.

### 8 Interest receivable and similar income

2020

£

#### Interest income

Interest on bank deposits

2,762

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss

2,762

### 9 Taxation

2020

£

#### Current tax

UK corporation tax on profits for the current period

225,587

#### Deferred tax

Origination and reversal of timing differences

(2,850)

Total tax charge

222,737

The actual charge for the period can be reconciled to the expected charge/(credit) for the period based on the profit or loss and the standard rate of tax as follows:

2020

£

Profit before taxation

159,941

Expected tax charge based on the standard rate of corporation tax in the UK of 19.00%

30,389

Tax effect of expenses that are not deductible in determining taxable profit

2,789

Permanent capital allowances in excess of depreciation

(1,319)

Depreciation on assets not qualifying for tax allowances

5,004

Amortisation on assets not qualifying for tax allowances

185,874

Taxation charge

222,737

# ACETO UK HOLDING LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

### 10 Intangible fixed assets

Group	Goodwill	Patents & licences	Know how	Total
	£	£	£	£
<b>Cost</b>				
At 23 January 2020	-	-	-	-
Additions - business combinations	10,666,694	744,972	3,290,000	14,701,666
At 31 December 2020	10,666,694	744,972	3,290,000	14,701,666
<b>Amortisation and impairment</b>				
At 23 January 2020	-	-	-	-
Amortisation charged for the period	728,681	54,307	195,297	978,285
At 31 December 2020	728,681	54,307	195,297	978,285
<b>Carrying amount</b>				
At 31 December 2020	9,938,013	690,665	3,094,703	13,723,381

The company had no intangible fixed assets at 31 December 2020.

### 11 Tangible fixed assets

Group	Leasehold improvements	Plant and equipment	Fixtures and fittings	Total
	£	£	£	£
<b>Cost</b>				
At 23 January 2020	-	-	-	-
Additions	7,424	124,199	25,360	156,983
At 31 December 2020	7,424	124,199	25,360	156,983
<b>Depreciation and impairment</b>				
At 23 January 2020	-	-	-	-
Depreciation charged in the period	4,486	18,402	3,448	26,336
At 31 December 2020	4,486	18,402	3,448	26,336
<b>Carrying amount</b>				
At 31 December 2020	2,938	105,797	21,912	130,647

The company had no tangible fixed assets at 31 December 2020.

# ACETO UK HOLDING LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

### 12 Fixed asset investments

	Notes	Group 2020 £	Company 2020 £
Investments in subsidiaries	13	-	18,694,809
<b>Movements in fixed asset investments</b>			
<b>Company</b>			<b>Shares in subsidiaries £</b>
<b>Cost or valuation</b>			
At 23 January 2020			-
Additions			18,694,809
At 31 December 2020			18,694,809
<b>Carrying amount</b>			
At 31 December 2020			18,694,809

### 13 Subsidiaries

Details of the company's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
Syntor Fine Chemicals (Holdings) Limited	100 Avebury Boulevard, Milton Keynes, MK9 1FH, United Kingdom	Ordinary	100.00	-
Syntor Fine Chemicals Limited	100 Avebury Boulevard, Milton Keynes, MK9 1FH, United Kingdom	Ordinary	0	100.00
Syntor Fine Chemicals S.L.	Calle Muntaner, 572 P 1 PTA. 1 08022 Barcelona, Spain	Ordinary	0	100.00
Syntor Specialty Chemicals (Hong Kong) Limited	Rooms A-B, 25/F., King Plaza, 55 King Yip Street, Kwun Tong, Kowloon, Hong Kong	Ordinary	0	100.00

Syntor Fine Chemicals S.L. and Syntor Specialty Chemicals (Hong Kong) Limited have not been consolidated into the group as they are considered immaterial to the group.

### 14 Financial instruments

	Group 2020 £	Company 2020 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	2,794,874	-
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	1,368,862	15,000

# ACETO UK HOLDING LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

### 15 Stocks

	Group 2020 £	Company 2020 £
Raw materials and consumables	233,764	-
Goods in transit	209,761	-
Finished goods and goods for resale	1,384,978	-
	<u>1,828,503</u>	<u>-</u>

### 16 Debtors

	Group 2020 £	Company 2020 £
<b>Amounts falling due within one year:</b>		
Trade debtors	1,989,530	-
Other debtors	907,485	-
Prepayments and accrued income	28,656	-
	<u>2,925,671</u>	<u>-</u>
<b>Amounts falling due after more than one year:</b>		
Deferred tax asset (note 18)	2,850	2,850
	<u>2,928,521</u>	<u>2,850</u>
<b>Total debtors</b>	<u>2,928,521</u>	<u>2,850</u>

### 17 Creditors: amounts falling due within one year

	Group 2020 £	Company 2020 £
Trade creditors	1,187,430	-
Corporation tax payable	641,223	-
Other taxation and social security	55,760	-
Other creditors	3,932	-
Accruals and deferred income	177,500	15,000
	<u>2,065,845</u>	<u>15,000</u>

# ACETO UK HOLDING LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

### 18 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2020 £	Assets 2020 £
<b>Group</b>		
Accelerated capital allowances	13,572	-
Tax losses	-	2,850
	<u>13,572</u>	<u>2,850</u>
	<u><u>13,572</u></u>	<u><u>2,850</u></u>
	<b>Liabilities 2020 £</b>	<b>Assets 2020 £</b>
<b>Company</b>		
Tax losses	-	2,850
	<u>-</u>	<u>2,850</u>
	<u><u>-</u></u>	<u><u>2,850</u></u>
	<b>Group 2020 £</b>	<b>Company 2020 £</b>
<b>Movements in the period:</b>		
Asset at 23 January 2020	-	-
Charge/(credit) to profit or loss	10,722	(2,850)
	<u>10,722</u>	<u>(2,850)</u>
Liability/(Asset) at 31 December 2020	<u><u>10,722</u></u>	<u><u>(2,850)</u></u>

The deferred tax asset set out above is not expected to reverse within 12 months and relates to the utilisation of tax losses against future expected profits of the same period. The deferred tax liability set out above is not expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

### 19 Retirement benefit schemes

	2020 £
<b>Defined contribution schemes</b>	
Charge to profit or loss in respect of defined contribution schemes	11,070
	<u><u>11,070</u></u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

# ACETO UK HOLDING LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

### 20 Share capital

Group and company	2020	2020
Ordinary share capital	Number	£
Issued and fully paid		
Ordinary of 1p each	100	1

### 21 Other reserves

Group	Capital contribution £
Additions	18,694,808
At the end of the current period	18,694,808
Company	Capital contribution £
Additions	18,694,808
At the end of the current period	18,694,808

The capital contribution reserve represents a contribution from Aceto US L.L.C. the parent of Aceto UK Holding Limited for the acquisition of Syntor Fine Chemicals (Holdings) Limited.

### 22 Profit and loss reserves

	Group 2020 £	Company 2020 £
At the beginning of the period	-	-
Loss for the period	(62,796)	(12,150)
At the end of the period	(62,796)	(12,150)



## ACETO UK HOLDING LIMITED

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

FOR THE PERIOD ENDED 31 DECEMBER 2020

#### 23 Acquisition of a business

On 16 April 2020 the group acquired 100% percent of the issued capital of Syntor Fine Chemicals (Holdings) Limited and in turn indirectly acquired the subsidiary of Syntor Fine Chemicals Holdings Limited being Syntor Fine Chemicals Limited.

Net assets acquired	Book Value £	Adjustments £	Fair Value £
Intangible assets	74,972	3,960,000	4,034,972
Property, plant and equipment	133,571	-	133,571
Inventories	2,337,871	-	2,337,871
Trade and other receivables	3,677,942	3,545	3,681,487
Cash and cash equivalents	2,240,717	-	2,240,717
Trade and other payables	(3,971,518)	-	(3,971,518)
Tax liabilities	(415,413)	-	(415,413)
Deferred tax	(13,572)	-	(13,572)
Total identifiable net assets	4,064,570	3,963,545	8,028,115
Goodwill			10,666,694
Total consideration			18,694,809
The consideration was satisfied by:			£
Capital contribution			18,694,809
Contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition:			£
Turnover			9,397,361
Profit after tax			922,225

The goodwill arising on the acquisition of the business is attributable to the anticipated profitability of the company in the future.

## ACETO UK HOLDING LIMITED

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

FOR THE PERIOD ENDED 31 DECEMBER 2020

#### 24 Operating lease commitments

##### Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2020 £	Company 2020 £
Within one year	37,305	-
	<u>37,305</u>	<u>-</u>

#### 25 Related party transactions

Aceto US L.L.C provided a capital contribution during the period for Aceto UK Holding Limited to acquire Syntor Fine Chemicals (Holdings) Limited. The total capital contribution amounted to £18,694,809 which is non redeemable and included within other reserves in equity.

During the year Aceto US L.L.C. purchased goods totalling £12,950 from Syntor Fine Chemicals Limited. The amount due from Aceto US L.L.C. at the year end is £nil.

#### 26 Controlling party

The immediate parent company of Aceto UK Holding Limited is Aceto US L.L.C a company registered in the USA.

The ultimate parent company is New Mountain Capital LLC. The directors believe there is no ultimate controlling party.

The smallest group in which the results of the Company are consolidated is that headed by Aceto UK Holding Limited.

The largest group in which the results of the Company are consolidated is that headed by Aceto Holdings, L.P. (registered office address: c/o New Mountain Capital, LLC, 1633 Broadway 48th Floor, New York, NY 10019), which is also the ultimate parent company.

# ACETO UK HOLDING LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

### 27 Cash absorbed by group operations

	2020 £
Loss for the period after tax	(62,796)
<b>Adjustments for:</b>	
Taxation charged	222,737
Investment income	(2,762)
Amortisation and impairment of intangible assets	978,285
Depreciation and impairment of tangible fixed assets	26,336
<b>Movements in working capital:</b>	
Decrease in stocks	509,368
Decrease in debtors	755,816
Decrease in creditors	(2,546,896)
<b>Cash absorbed by operations</b>	<u>(119,912)</u>

### 28 Analysis of changes in net funds - group

	23 January 2020 £	Cash flows £	31 December 2020 £
Cash at bank and in hand	-	2,100,378	2,100,378

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