

Aquila Biomedical Limited
Annual report and unaudited financial statements
for the year ended 31 December 2020

Registered number: SC393914 (Scotland)



Aquila Biomedical Limited

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Aquila Biomedical Limited

Company information

The board of Directors Dr M Carnegie-Brown
SFA Horder

Registered office 2 James Lindsay Place
Dundee
Scotland
DD1 5JJ

Bankers NatWest Bank plc
55 Bishopsgate
London
EC2M 4AA

Aquila Biomedical Limited

Strategic report

The Directors, in preparing this strategic report, have complied with s414(c) of the Companies Act 2006.

Principal activity

The principal activities during the year continued to be the provision of immunology, immune-oncology and specialist histology pre-clinical contract research services.

Business environment

Aquila Biomedical Limited (the "Company") provides pre-clinical services principally to clients discovering and developing treatments for cancer, autoimmune diseases and in regenerative medicine.

Business performance

Revenue in the year was £3,120,115 compared to £3,813,592 in the year ended 31 December 2019. The profit for the year after taxation, amounted to £94,188 compared to a loss after taxation of £1,631,760 in the year ended 31 December 2019. In 2019 there was an impairment charge of £2,511,495 recognised as an exceptional item in relation to intercompany receivables no longer considered recoverable. In 2020, £843,487 was subsequently deemed recoverable and was therefore reversed.

The Directors consider the results to 31 December 2020 to be in line with expectations.

Post balance sheet event

On 1 April 2021 the trade and assets of the business were sold to Concept Life Sciences Integrated Discovery & Development Services Limited.

Principal risks and uncertainties

Any business undertaking will involve some risk with many risk factors common to any business regardless of what sector it operates in. The Directors believe the following are the principal risks and uncertainties impacting the Company:

Legislative risk

The pharmaceuticals and agrochemical sectors are subject to a high level of regulatory change and requirements which need to be monitored to ensure services are fully compliant. This is mitigated by rigorous monitoring and compliance procedures.

Competitive risks

Customers currently outsource pre-clinical contract research but could develop their own in-house capabilities. This risk is mitigated by providing a cost-effective problem-solving solution to add value for customers. The expertise of the scientific and research teams is a significant factor in retaining customers.

The size of customer research and development budgets is driven by the status of the global pharmaceutical market which can impact on the level of business secured.

Financial instruments risk

The Company is exposed to a moderate level of price risk, credit risk, liquidity risk and cash flow risk. The Company manages these risks by financing its operations through retained profits, supplemented by funding provided by its parent undertaking where needed.

The management objectives are to retain sufficient liquid funds to enable the Company to meet its day to day requirements, with sufficient future cash flows expected to arise from the Company's trading activities.

The Company makes little use of financial instruments other than an operational bank account and so its exposure to price risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit or loss of the Company.

Aquila Biomedical Limited

Strategic report (continued)

Financial instruments risk (continued)

Credit risk is the risk that one party to a financial instrument will cause a financial loss to another party by failing to discharge an obligation. The Company assesses the risk of contracting with each customer and sets credit limits which are carefully monitored. If a significant risk is identified credit facilities are withdrawn and transactions are carried out on a cash basis. If a key customer was significantly affected by a difficult trading environment this would have a short-term impact on the Company.

The Directors continue to endeavour to manage these risks and uncertainties to the extent possible within the business.

Key performance indicators

Performance is monitored through the production of budgets, forecasts, and monthly management information. The key performance indicators of the business are considered to be revenue and profit before taxation as disclosed in the income statement.

Approval

Approved by the Board and signed on its behalf by:

mark carnegie brown

Dr M Carnegie-Brown
Director
20 September 2021

Aquila Biomedical Limited

Directors' report

The Directors' present their report and the unaudited financial statements of the Company for the year ended 31 December 2020.

Results and dividends

The results for the year ended 31 December 2020 and financial position of the Company are as shown in the income statement and statement of financial position. The Directors do not recommend the payment of a dividend (2019: £nil).

Research and development

The Company's primary activities result in the undertaking of research and development on behalf of its customer base.

Future developments

Details of future developments can be found in the Strategic Report and form part of this report by cross-reference.

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements. Further details regarding the adoption of the going concern basis can be found in note 1 of the financial statements.

Directors

The Directors, who served throughout the year and thereafter, except as noted, were as follows:

Dr M Carnegie-Brown

MJ Hanson (resigned 18 September 2020)

SFA Horder (appointed 18 September 2020)

Directors' indemnities

The Company has made qualifying third-party indemnity provisions for the benefit of its Directors which remain in force at the date of this report.

Approved by the Board and signed on its behalf by:

mark carnegie brown

Dr M Carnegie-Brown
Director
20 September 2021

Aquila Biomedical Limited

Directors' responsibilities statement

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), including Financial Reporting Standard 101 Reduced Disclosure Framework. 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Aquila Biomedical Limited

Income statement

For the year ended 31 December 2020

		Year ended 31 December 2020 £	Year ended 31 December 2019 £
	Note		
Revenue	2	3,120,115	3,813,592
Cost of sales		(1,996,295)	(1,857,950)
Gross profit		1,123,820	1,955,642
Administrative expenses		(2,080,749)	(1,160,106)
Exceptional items	3	843,487	(2,511,495)
Operating profit/(loss)	5	(113,442)	(1,715,959)
Interest payable and similar charges	4	(4,304)	(908)
Profit/(loss) on ordinary activities before taxation		(117,746)	(1,716,867)
Tax on profit on ordinary activities	8	211,934	85,107
Profit/(loss) for the financial year		94,188	(1,631,760)

All amounts relate to continuing activities.

There were no items of other comprehensive income in the current or prior year, other than the profits shown above. No separate statement of total comprehensive income has therefore been presented.

Aquila Biomedical Limited

Statement of Changes in Equity For the year ended 31 December 2020

	Called-up share capital £	Share premium £	Profit and loss account £	Total equity £
As at 1 January 2019	150	264,650	2,527,707	2,792,507
Total comprehensive loss for the year	-	-	(1,631,760)	(1,631,760)
As at 31 December 2019 and 1 January 2020	150	264,650	895,947	1,160,747
Total comprehensive income for the year	-	-	94,188	94,188
As at 31 December 2020	150	264,650	990,135	1,254,935

Aquila Biomedical Limited**Statement of financial position**

As at 31 December 2020

		As at 31 December 2020	As at 31 December 2019
	Note	£	£
Fixed assets			
Tangible assets	9	1,042,412	806,129
		<u>1,042,412</u>	<u>806,129</u>
Current assets			
Inventory	10	507,527	488,995
Receivables	11	1,023,681	1,175,546
Deferred tax asset	13	3,543	4,483
Cash at bank and in hand		276,672	333,856
		<u>1,811,423</u>	<u>2,002,880</u>
Current liabilities			
Trade and other payables	12	(1,593,164)	(1,589,868)
Lease liabilities	15	(5,736)	(58,394)
		<u>212,523</u>	<u>354,618</u>
Net current assets/(liabilities)		<u>1,254,935</u>	<u>1,160,747</u>
Net assets		<u>1,254,935</u>	<u>1,160,747</u>
Capital and reserves			
Called-up share capital	14	150	150
Share premium account		264,650	264,650
Profit and loss account		990,135	895,947
		<u>1,254,935</u>	<u>1,160,747</u>
Shareholders' funds		<u>1,254,935</u>	<u>1,160,747</u>

Registered number: SC393914

For the year ending 31 December 2020, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. Directors' responsibilities:

- the members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476;
- the Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements of Aquila Biomedical Limited were approved by the Board of Directors and authorised for issue on 20 September 2021. They were signed on its behalf by:

mark carnegie brown

Dr M Carnegie-Brown
Director

Aquila Biomedical Limited

Notes to the financial statements

As at 31 December 2020

1. Accounting policies

Aquila Biomedical Limited (the “Company”) is a private company, limited by shares, incorporated in Scotland.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* (“FRS 101”).

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU (“Adopted IFRSs”), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company’s ultimate parent undertaking, Spectris plc includes the Company in its consolidated financial statements. The consolidated financial statements of Spectris plc are prepared in accordance with International Financial Reporting Standards as adopted by the EU, and are available to the public as set out in note 19.

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of the compensation of Key Management Personnel;
- Disclosure in respect of capital management;
- Impairment of assets;
- Presentation of comparative information in respect of certain assets; and
- The effect of new but not yet effective IFRSs.

As the consolidated financial statements of Spectris plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 share-based payments in respect of group settled share-based payments; and
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instruments Disclosures.

The accounting policies set out below have, unless otherwise stated, have been applied consistently to all periods presented in these financial statements.

The financial statements are prepared on the historical cost basis.

These financial statements are presented in pounds sterling.

The preparation of financial statements in conformity with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities that are not readily apparent from other sources. 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 and in any future periods affected.

The Company’s business activities, together with the factors likely to affect its future development, position and strategy, are set out in the Strategic report on pages 4 and 5.

Aquila Biomedical Limited

Notes to the financial statements (continued)

As at 31 December 2020

1. Accounting policies (continued)

Going concern

The Directors are required to satisfy themselves as to whether the financial statements of the Company should be prepared on the going concern basis. As part of the ongoing duties and activities of the Board there is continual assessment of the Company's financial and commercial performance. This review considers business risks and uncertainties that exist and takes account of how wider economic circumstances can impact these, including due consideration and assessment of potentially adverse and testing situations. The Board looks forward and appropriate forecasts of financial performance and assessments of future business opportunities and challenges are regularly made. Following this review the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

Revenue

Revenue is measured based on the fair value of the consideration specified in a contract with a customer and represents amounts receivable for services provided in the normal course of business, net of discounts and sales related taxes.

The Company recognises revenue when it transfers control of a service to a customer.

- If the transfer of control can be reliably measured by reference to completion of the specific performance obligation, the revenue associated with the component will be recognised. As a result, the revenue for all transactions which can be estimated on a reliable basis corresponds to the revenue agreed in the contract, adjusted by the stage of completion of the work performed.
- If the outcome of a transaction involving the rendering of services cannot be measured reliably, revenue will only be recognised to the extent of the incurred expenses as long as they are deemed to be recoverable.

Expected losses are recognised when it is probable that total contract costs will exceed total contract revenue. The expected loss is recognised as an expense immediately.

The stage of completion of an analysis or piece of research work is determined by the services performed to date as a percentage of the total analysis or research work to be performed.

Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and are transferred to the income statement on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

Research and development

Research expenditure is written off as incurred. Development expenditure is also written off, except where the technical and commercial feasibility of the project has been demonstrated, the future economic benefits are probable, the Company has an intention and ability to complete and use or sell the asset and the costs can be measured reliably. In such cases, the identifiable expenditure is deferred and amortised over the period during which the Company is expected to benefit. Provision is made for any impairment.

Aquila Biomedical Limited

Notes to the financial statements (continued)

As at 31 December 2020

1. Accounting policies (continued)

Property, plant and equipment

Owned assets

Tangible fixed assets are stated at cost less accumulated depreciation and impairment losses. Cost represents purchase price together with any incidental costs of acquisition. Where parts of an item of tangible fixed assets have different useful economic lives, they are accounted for as separate items of tangible fixed assets.

Leased assets

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangement in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise: fixed lease payments (including in substance fixed payments), less any lease incentives; variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date; the amount expected to be payable by the lessee under residual value guarantees; the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever: the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate; the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate; or a lease contract is modified, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Depreciation

Depreciation is provided on all tangible fixed assets other than freehold land. Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Plant and Machinery -	at varying rates on cost
Computer Equipment -	at varying rates on cost

Aquila Biomedical Limited

Notes to the financial statements (continued)

As at 31 December 2020

1. Accounting policies (continued)

Taxation

Tax on the profit or loss for the period comprises current and deferred tax.

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences in respect of the initial recognition of assets and liabilities that affect neither accounting nor taxable profit are not provided for. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Pension costs

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year. The assets of the scheme are held separately from those of the Company in an independently administered fund.

Foreign currencies

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction, or at an average rate for the period if the rates do not fluctuate significantly. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement account.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or are transferred. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Trade and other debtors

Trade debtors are recognised at amortised cost less impairment losses. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators that the trade debtor is impaired. The movement in the provision is recognised in the income statement.

Trade and other creditors

Trade and other creditors are non-interest bearing and are stated at their cost.

Interest payable and similar charges

Interest payable and similar charges comprise interest payable on obligations under finance leases. Interest payable and similar charges are recognised in the income statement on an effective interest method.

Aquila Biomedical Limited

Notes to the financial statements (continued)

As at 31 December 2020

1. Accounting policies (continued)

Interest receivable and similar income

Interest receivable and similar income comprise interest receivable on funds invested. Interest receivable is recognised in the income statement on an effective interest method.

Exceptional items

Exceptional items are those items that are unusual because of their size, nature or incidence, or that the Directors consider should be disclosed separately to enable a full understanding of the Company's results. Exceptional items have been presented separately on the face of the income statement. The Directors consider that this presentation gives a fairer presentation of the results of the Company.

Critical accounting estimates and judgements

The preparation of financial statements in conformity with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The judgements, estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are discussed below:

2. Revenue

The revenue is attributable to the one principal activity of the Company.

An analysis of revenue is given below:

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
United Kingdom	1,219,168	1,781,720
Rest of the World	1,900,947	2,031,872
	<u>3,120,115</u>	<u>3,813,592</u>

Aquila Biomedical Limited

Notes to the financial statements (continued)

As at 31 December 2020

3. Exceptional items

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
(Reversal of Impairment)/Impairment of intercompany receivables	(843,487)	2,511,495

4. Interest payable and similar charges

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Interest on overdue tax values	351	-
Unwinding of discount on lease liabilities	3,953	908
	<u>4,304</u>	<u>908</u>

5. Operating profit/(loss)

Operating profit is stated after charging:

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Depreciation of tangible fixed assets:		
- owned	144,041	177,889
- right of use assets	42,922	21,461
Expenses relating to short term and low-value leases	136,023	141,332
Foreign exchange losses	<u>5,620</u>	<u>3,373</u>

Aquila Biomedical Limited

Notes to the financial statements (continued)

As at 31 December 2020

6. Staff costs

	Year ended 31 December 2020 Number	Year ended 31 December 2019 Number
The average monthly number of employees (including executive Directors) was:		
Operational	36	28
Sales	1	2
Administration	2	4
	<u>39</u>	<u>34</u>

Their aggregate remuneration comprised:

	£	£
Wages and salaries	1,715,332	948,280
Social security costs	134,137	74,544
Pension costs	43,768	26,874
	<u>1,893,237</u>	<u>1,049,698</u>

7. Directors' remuneration and transactions

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Directors' remuneration		
Emoluments	-	160,938
Company contributions to money purchase pension schemes	-	4,445
	<u>-</u>	<u>165,383</u>

No Director received any remuneration for their services to the Company in 2020. The present Directors are employed by, and receive remuneration for services from other group companies, Malvern Panalytical Ltd and Concept Life Sciences Integrated Discovery & Development Services

During the year, retirement benefits were accruing to nil (2019: 1) Directors in respect of money purchase pension schemes.

Aquila Biomedical Limited

Notes to the financial statements (continued)

As at 31 December 2020

8. Tax charge/(credit) on profit on ordinary activities

The tax (credit)/charge comprises:

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Current tax		
UK corporation tax	(215,196)	156,128
Adjustment in respect of prior periods	2,322	(209,600)
Total current tax (credit)/charge	(212,874)	(53,472)
Deferred tax		
Origination and reversal of timing differences	32,430	(4,607)
Effect of tax rate changes	(3,787)	-
Adjustment in respect of prior periods	(27,703)	(27,028)
Total deferred tax charge/(credit)	940	(31,635)
Total tax (credit)/charge on profit on ordinary activities	(211,934)	(85,107)

The tax (credit)/charge in the income statement for the year is higher than (2019: lower than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are reconciled below:

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
(Loss)/profit on ordinary activities before tax	(117,746)	(1,716,867)
Tax (credit) on (loss) on ordinary activities at standard UK corporation tax rate of 19% (2019: 19%)	(22,372)	(326,204)
Effects of:		
Non-taxable income and gains	(160,394)	-
Expenses not deductible for tax purposes	-	477,184
Other current year items	-	542
Changes in tax rates	(3,787)	-
Adjustments to prior year current and deferred tax charges	(25,381)	(236,629)
Total tax (credit)/charge for year	(211,934)	(85,107)

Aquila Biomedical Limited

Notes to the financial statements (continued)

As at 31 December 2020

8. Tax on profit/(loss) on ordinary activities (continued)

Change in the corporation tax rate

It was announced in the Budget 2021 that corporation tax rates will increase from 19% to 25% (effective from 1 April 2023). This legislation was not substantively enacted at 31 December 2020 and so deferred tax has been calculated at the current rate of 19%. The impact of this 6% rate increase on the deferred tax balance at 31 December 2020 would be to increase the deferred tax asset by £1,000.

9. Property, plant and equipment

	Plant and machinery £	Computer equipment £	Property – Right of use £	Total £
Cost				
As at 1 January 2020	1,082,468	62,010	128,767	1,273,245
Additions	271,910	44,521	-	316,431
As at 31 December 2020	<u>1,354,378</u>	<u>106,531</u>	<u>128,767</u>	<u>1,589,676</u>
Depreciation				
As at 1 January 2020	380,024	22,709	64,383	467,116
Charge for the year	122,821	21,220	42,922	186,963
Impairment	(140,818)	12,541	21,462	(106,815)
As at 31 December 2020	<u>362,027</u>	<u>56,470</u>	<u>128,767</u>	<u>547,264</u>
Net book value				
As at 31 December 2020	<u>992,351</u>	<u>50,061</u>	<u>0</u>	<u>1,042,412</u>
As at 31 December 2019	<u>702,444</u>	<u>39,301</u>	<u>64,384</u>	<u>806,129</u>

10. Inventory

	As at 31 December 2020 £	As at 31 December 2019 £
Work in progress	<u>507,527</u>	<u>488,995</u>

Aquila Biomedical Limited

Notes to the financial statements (continued)

As at 31 December 2020

11. Receivables

	As at 31 December 2020 £	As at 31 December 2019 £
Amounts falling due within one year:		
Trade debtors	432,140	438,467
Other debtors	83,653	413,279
R&D tax credit	292,692	323,800
Corporation tax asset (see note 8)	215,196	-
	<u>1,023,681</u>	<u>1,175,546</u>

12. Trade and other payables

	As at 31 December 2020 £	As at 31 December 2019 £
Trade creditors	215,841	126,532
Corporation tax	-	156,128
Other taxation and social security	105,200	42,216
Other creditors	77,447	71,090
Amounts owed to Group undertakings	321,986	576,750
Accruals and deferred income	872,690	617,152
	<u>1,593,164</u>	<u>1,589,868</u>

13. Deferred tax asset/(liability)

	As at 31 December 2020 £	As at 31 December 2019 £
As at 1 January 2020	4,483	(27,152)
Profit and loss movement in the year	(940)	31,635
As at 31 December 2020	<u>3,543</u>	<u>4,483</u>

Aquila Biomedical Limited

Notes to the financial statements (continued)

As at 31 December 2020

13. Deferred tax (continued)

The deferred tax asset/(liability) consists of the tax effect of timing differences in respect of:

	As at 31 December 2020 £	As at 31 December 2019 £
Temporary differences relating to tangible assets	(6,534)	881
Temporary differences relating to other items	10,077	3,602
	<u>3,543</u>	<u>4,483</u>

14. Called-up share capital

	As at 31 December 2020 No.	As at 31 December 2020 £	As at 31 December 2019 No.	As at 31 December 2019 £
Ordinary shares of £0.001 each	<u>150,354</u>	<u>150</u>	<u>150,354</u>	<u>150</u>

On 25 March 2021 a capital reduction was completed, which cancelled in full 150,353 shares of the existing 150,354 issued and fully paid ordinary shares.

15. Lease liabilities

	As at 31 December 2020 £	As at 31 December 2019 £
Amounts falling due within one year	5,736	58,394
	<u>5,736</u>	<u>58,394</u>

The disclosure as at the 31 December 2020 shows the undiscounted lease liability maturity analysis under IFRS 16.

16. Capital commitments

The Company has no capital commitments as at 31 December 2020 (2019: £nil).

Aquila Biomedical Limited

Notes to the financial statements (continued)

As at 31 December 2020

17. Defined contribution pension scheme

The Company operates a defined contribution scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £43,768 (2019: £31,329).

At the year end there were £53,039 (2019: £21,191) pension contributions outstanding.

18. Controlling party

At 31 December 2019, Spectris plc, a company listed on the London Stock Exchange is the ultimate controlling party by virtue of its 100% holding in the issued share capital of Concept Life Sciences (Holdings) Limited.

Spectris plc, is the largest and smallest group in which the results of the Company are consolidated. The consolidated accounts of this company may be obtained from Spectris plc, Heritage House, Church Road, Egham, Surrey TW20 9QD.

19. Post balance sheet event

On 25 March 2021 a capital reduction was completed. This cancelled in full 150,353 shares of the existing 150,354 issued and fully paid ordinary shares. The entire share premium account of the Company was also cancelled.

On 1 April 2021 the trade and assets of the business was sold to Concept Life Sciences Integrated Discovery & Development Services Limited.