

Sygnature Discovery Limited

Annual Report and Financial Statements

Year Ended

31 March 2022

Company Number 05210563



Sygnature Discovery Limited

Company Information

Directors	S C Hirst J G Williams P Overton L E Jordison
Registered number	05210563
Registered office	The Discovery Building Biocity Pennyfoot Street Nottinghamshire NG1 1GR
Independent auditor	BDO LLP Two Snowhill Birmingham B4 6GA
Bankers	HSBC UK Bank plc 130 New Street Birmingham West Midlands B2 4JU

Sygnature Discovery Limited

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Sygnature Discovery Limited

Strategic Report For the Year Ended 31 March 2022

The directors present their Strategic Report together with the audited financial statements for the year ended 31 March 2022. These financial statements represent the accounts of Sygnature Discovery Limited, a 100% owned subsidiary of Evergreen Holdco 1.

Principal activity

The company is engaged in collaborative integrated drug discovery services to the pharmaceutical and biotechnology market.

Business review

The directors are satisfied with the performance of the company as reported in the financial statements. The company has achieved significant growth in the period and maintained consistent operating margins.

This growth has been enabled by successful ongoing recruitment and has therefore resulted in a significant growth in headcount.

Turnover has increased to £52,172,059 from £41,509,623 (25.7%). Certain contracts allow costs incurred on the projects to be recharged. Where the company is the principal in the transaction the turnover is recognised as the related costs are incurred.

Operating profit reduced from £9,531,896 to £9,490,253. This was largely as a result of an exceptional bonus paid in the year following the change of control of the Group. Excluding the exceptional item, operating profit grew from £9,531,896 to £11,578,246 (21.5%). It is pleasing that the growth of the business, principally through export markets has been achieved at consistent operating margins.

The profit for the year, after taxation amounted to £9,727,013 (2021 - £8,698,288).

During 2021, the directors have continued to manage the company through the continued disruption arising from the COVID-19 pandemic. Various measures have been put in place to minimise the risk to the employees of the Group in line with government advice. Demand for the services of the company remain high and new clients continue to instruct the company to carry out work. Further details are included in note 2.4 to the financial statements but the core business has been resilient to the impact of COVID-19 and continues to perform ahead of the same period in the prior year.

Financial key performance indicators

The KPIs that the company use are relevant to the type of business that it operates. The financial KPIs that the Group use are turnover (excluding rechargeable costs), earnings before depreciation, amortisation, interest and tax and operating cash generation.

The company continually monitors the performance of its operations and other activities through regular reviews using key performance indicators (KPIs) as tools for measurement.

Other key performance indicators

The other key performance indicators that the company use are operational (staff retention and motivation) and from a customer service perspective (customer feedback and retention and new customers). These key performance indicators are within the targets set for the year.

The directors consider that the company has met the KPI targets in the year and look forward to the planned ongoing development of the business. The company continues to conduct research and development activities.

Sygnature Discovery Limited

Strategic Report (continued) For the Year Ended 31 March 2022

Principal risks and uncertainties

Economic climate

Whilst outside of the company's control, a difficult economic climate can work in favour of outsourcing businesses, as customers focus on reducing their total costs. The company has focused on the element of business that allows customers to reduce costs and outsource risk.

The company recognises the risk of bankruptcies during the economic environment post Covid-19 and in light of the current inflationary environment and retains a tight credit control procedure to mitigate against the risk.

Conflict in Ukraine

The company does not have any customers in either Ukraine or Russia, however, a limited supply chain risk has been identified due to a small number of suppliers being located in these territories. The company's position is that until the current situation in Ukraine is resolved we will not deal directly with Russian companies or their subsidiaries and alternative suppliers will be sought.

To mitigate against the potential loss of supply from Ukrainian companies, there is an ongoing review to identify alternative suppliers. At the date of this report, our largest Ukrainian supplier had resumed supply both from its main facility in Kyiv but also from alternative sites which are located outside of Ukraine.

Competitor activity

The company has customers in both the UK market, and also in other countries around the world. Many of these markets are highly competitive in nature. As the market requires extensive skills and experience to participate, new entrants to the market are considered unlikely. The major risk is through more intense competition between existing suppliers. It is believed that, as end markets appear to be in strong growth, margin pressure should be manageable. To mitigate against increased margin pressure, the company constantly reviews its services and prices to ensure they are competitive, and appropriate to the value delivered to its customers.

Liquidity risk

The directors consider that the company has healthy net cash resources to enable it to continue to trade and to pay its liabilities as and when they become due. As a result, the directors believe the company's exposure is limited in the short term.

The levels of debt within the business are carefully monitored and cash generation of the Group and repayment terms modelled to ensure that debt can be repaid when it matures.

Factors which could impact on the working capital management (and associated risk factors) of the company are its ability to generate sufficient sales to new and existing customers and changes in the competitive environment of markets in which the company serves.

Interest risk

The Company finances its operations through credit facilities provided by Group companies. The majority of credit facilities provided by Group companies are at a fixed rate of interest with a small proportion of facilities at variable rates and therefore there is no material exposure to changes in interest rates. The levels of debt and associated interest costs are carefully monitored and cash generation of the Group is modelled to ensure that all interest payments can be paid when they fall due.

Sygnature Discovery Limited

Strategic Report (continued) For the Year Ended 31 March 2022

Retention of key people

The experience, engagement and skills of the company's employees are a key resource. The loss of a number of these people could impact the company's ability to deliver for its customers. Regular reviews with the key staff are held, and development and reward plans are put in place to retain and develop those individuals. In addition to external training and attendance at scientific symposia, a comprehensive mentoring and promotion scheme is in place to facilitate employee career development. The company also invests in future generations of scientists through paid internships for local Universities. As the company continues to grow, more of those skills and experience become decentralised, leading to more diversification of key skills and therefore lower risk.

Directors' statement of compliance with duty to promote the success of the Group

Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders and other matters in their decision making. The directors continue to have regard for the interests of the company's employees and other stakeholders including customers, the impact of its activities on the community, the environment and the company's reputation for good business conduct, when making decisions. In this context, acting in good faith and fairly, the directors consider what is most likely to promote the success of the company for its members in the long term. We set out below, how the Board engages with stakeholders.

- General engagement and relations with key stakeholders such as employees, shareholders and suppliers is achieved by communication, collaboration and careful consideration of the impact of key decisions on the different shareholder groups as summarised in the table.
- During the year the Board has continued to develop its methods of engagement with the workforce through regular company updates, surveys and focus groups which has led to improvements in the onboarding process, employee experience and support for non-UK resident employees wishing to apply for settled status. A new employee SIP scheme was also approved and launched in April to further align the interests of the employees with the wider shareholder group.
- A formalised charity team has been set up consisting of employees from across the business. A combination of local and national charities have been nominated by employees. The company has a committed charitable budget to match individuals' fund raising, along with supporting volunteering activities. A total of £10,956 (including matched funding) was raised during the year.
- The company has shown further commitment to its ESG goals by expanding the ESG team and drafting ESG and Energy policies. The aim is to enhance reporting capabilities through relevant KPI's and focus and support the implementation of new environmental, social and carbon reduction initiatives. In addition, recycling schemes have been put in place to ensure that where possible, items such as used IT equipment, precious metal waste and other recyclable materials are sent to dedicated recycling facilities. Any value recovered from these recycling activities is earmarked for charitable donations in addition to the budget described above.
- The directors are fully aware of their responsibilities to promote the success of the company in accordance with section 172 of the Companies Act 2006. To ensure the company was operating in line with good corporate practice, all Directors have been briefed on the scope and application of section 172 in writing.

The key Board decisions made in the year are set out on the next page:

Sygnature Discovery Limited

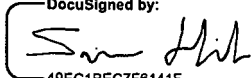
Strategic Report (continued) For the Year Ended 31 March 2022

Significant events/ decisions	Keys 172 matter(s) affected	Actions and impact
Significant investment from Five Arrows Principal Investments in the wider Group.	Employees, shareholders, customers	<ul style="list-style-type: none"> The investment will enable the Group to continue expanding its integrated drug discovery capabilities both organically and via acquisition. Supports growth strategy of the business. Continued growth offers development opportunities for existing employees and opportunity to recruit additional talent.
Further expansion of therapeutic area expertise .	Customers, employees, shareholders	<ul style="list-style-type: none"> Enables customers to engage on fully integrated projects overseen by an expert in their project specific therapeutic area (ie oncology, neuroscience or inflammation & immunology). Development of existing skills and talent of employees plus recruitment of additional therapeutic area experts. Supports growth strategy of the business.
Launch of Pre- Formulation Capability	Customers, employees, shareholders	<ul style="list-style-type: none"> Supports preclinical offering to customers helping to further advance projects along the drug discovery timeline. Recruitment opportunities within the new department. Supports growth strategy of the business.
Acquisition of Peak Proteins (Board decision to progress was during the year)	Customers, employees, shareholders	<ul style="list-style-type: none"> Enhances integrated drug discovery offering to clients, expanding capabilities to include protein sciences, protein production and protein crystallography. The acquisition is in line with the long term strategy which supports growth for shareholder and security for employees.
Review of staff benefits	Employees	<ul style="list-style-type: none"> Launch of employee SIP scheme, further aligning the interests of the employees with the wider shareholder group. Increased support for mental health in the workplace, training dedicated mental health first aiders and promoting the benefits of the Employee Assistance Programme. Improved financial support and advice offered for non-UK resident employees wishing to apply for settled status.
Further expansion of footprint	Shareholders, employees	<ul style="list-style-type: none"> Increased footprint both in Nottingham and at Alderley Park. Opportunity to recruit additional employees at both sites. Increased opportunity for existing employees to progress due to further expansion. Supports long term growth strategy for shareholders.

Sygnature Discovery Limited

Strategic Report (continued) For the Year Ended 31 March 2022

This report was approved by the board and signed on its behalf by:

DocuSigned by:

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S C Hirst
Director

Date: 30 September 2022

Sygnature Discovery Limited

Directors' Report For the Year Ended 31 March 2022

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

Results and dividends

The profit for the year, after taxation, amounted to £9,727,013 (2021 - £8,698,288).

No dividends were paid during the year (2021 - £Nil).

Directors

The directors who served during the year were:

S C Hirst
J G Williams
V J Tabiner (resigned 31 October 2021)
P Overton
L E Jordison (appointed 1 November 2021)

Engagement with employees

Meetings between management and employees are held at regular intervals in order to achieve a common awareness of the financial and economic factors that affect the company's performance.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as practicable, be identical to that of a person who is fortunate enough not to suffer from disability.

Qualifying third party indemnity provisions

Throughout the year and up to the date of this report the company maintained qualifying third party indemnity insurance for the directors.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Streamline energy and carbon report

This information is included in the consolidated financial statements of Spark Topco Limited as at 31 March 2022.

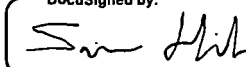
Sygnature Discovery Limited

Directors' Report (continued) For the Year Ended 31 March 2022

Post balance sheet events

On the 12 April 2022, Sygnature Discovery Limited acquired, directly and indirectly, 100% of the share capital of Peak Proteins Ltd. The transaction involved the acquisition of 52% of the issued share capital of Peak Proteins Ltd and 100% of the issued share capital of Evergreen Holdco 3 Limited. Evergreen Holdco 3 Limited holds the remaining 48% of the issued share capital of Peak Proteins Ltd. Peak Proteins's core technologies include protein expression and purification, alongside protein crystallography, structure determination and mass spectrometry services.

At the time that the financial statements have been authorised for issue, the initial accounting for this business is incomplete. As such the full disclosure of this business combination cannot be made at this time. This report was approved by the board and signed on its behalf by:

DocuSigned by:

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S C Hirst
Director

Date: 30 September 2022

Sygnature Discovery Limited

Directors' Responsibilities Statement For the Year Ended 31 March 2022

The directors are responsible for preparing the Strategic Report, the Directors' 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 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.

Sygnature Discovery Limited

Independent Auditor's Report to the Members of Sygnature Discovery Limited

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Sygnature Discovery Limited ("the company") for the year ended 31 March 2022 which comprise the Statement of Comprehensive income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Sygnature Discovery Limited

Independent Auditor's Report to the Members of Sygnature Discovery Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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.

Other Companies Act 2006 reporting

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

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Sygnature Discovery Limited

Independent Auditor's Report to the Members of Sygnature Discovery Limited (continued)

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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks applicable to the company based on our understanding of the company, sector experience and discussions with management. Our enquires of management included reviewing supporting documentation concerning the company's policies and procedures relating to:

- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they had knowledge of any actual, suspected or alleged fraud; and
- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

Based on the understanding and knowledge gained the engagement team, who undertook the audit testing, held a discussion to assess how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion we evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results or management bias in accounting estimates.:

We designed and executed procedures in line with our responsibilities to detect material misstatements in respect of irregularities, including fraud. These procedures, included but were not limited to:

- We reviewed correspondence with the relevant authorities to identify any irregularities or instances of non-compliance with laws and regulations. We corroborated our enquiries through our review of board minutes.
- We tested the appropriateness of accounting journals, including those relating to adjustments made in the preparation of the financial statements. We used data assurance techniques to identify and analyse the complete population of all journals in the year to identify and substantively test any which we considered were indicative of management override.

Sygnature Discovery Limited

Independent Auditor's Report to the Members of Sygnature Discovery Limited (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

Extent to which the audit was capable of detecting irregularities, including fraud (continued)

- We reviewed the company's accounting policies for non-compliance with relevant standards. Our work also included considering significant accounting estimates for evidence of misstatement or possible bias and testing any significant transactions that appeared to be outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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.

DocuSigned by:

Gareth Singleton

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Gareth Singleton (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Birmingham
United Kingdom

Date: 30 September 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Sygnature Discovery Limited

Statement of Comprehensive Income For the Year Ended 31 March 2022

	Note	2022 £	2021 £
Turnover	4	52,172,059	41,509,623
Cost of sales		(24,089,913)	(20,069,793)
Gross profit		28,082,146	21,439,830
Administrative expenses		(20,104,299)	(13,049,113)
Other operating income	5	1,512,406	1,141,179
Operating profit	6	9,490,253	9,531,896
Interest receivable and similar income	10	550	-
Interest payable and similar charges	11	(191,163)	(16,923)
Profit before tax		9,299,640	9,514,973
Tax on profit	12	427,373	(816,685)
Profit for the financial year		9,727,013	8,698,288

There was no other comprehensive income for 2022 (2021 - £Nil).

The notes on pages 17 to 38 form part of these financial statements.

Sygnature Discovery Limited
Registered number: 05210563

Balance Sheet
As at 31 March 2022

	Note	2022 £	2022 £	As restated 2021 £	As restated 2021 £
Fixed assets					
Intangible assets	13		7,135,242		7,293,179
Tangible assets	14		12,820,448		10,593,788
Investments	15		1,909,404		1,909,404
			<u>21,865,094</u>		<u>19,796,371</u>
Current assets					
Stocks	16	1,170,897		885,325	
Debtors: amounts falling due within one year	17	23,678,292		11,440,645	
Cash at bank and in hand	18	6,490,065		5,309,055	
		<u>31,339,254</u>		<u>17,635,025</u>	
Creditors: amounts falling due within one year	19	(12,637,572)		(6,347,000)	
Net current assets			<u>18,701,682</u>		<u>11,288,025</u>
Total assets less current liabilities			<u>40,566,776</u>		<u>31,084,396</u>
Creditors: amounts falling due after more than one year	20		(1,483,627)		(1,493,168)
Provisions for liabilities					
Deferred tax	22		(1,674,234)		(1,852,068)
Deferred grant income	23		(177,596)		(234,854)
Net assets			<u><u>37,231,319</u></u>		<u><u>27,504,306</u></u>
Capital and reserves					
Called up share capital	24		95		95
Capital redemption reserve	25		5		5
Capital contribution reserve	25		628,524		628,524
Merger reserve	25		(257,008)		(257,008)
Profit and loss account	25		36,859,703		27,132,690
Total equity			<u><u>37,231,319</u></u>		<u><u>27,504,306</u></u>

Sygnature Discovery Limited

Registered number: 05210563

Balance Sheet (continued) As at 31 March 2022

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:

S C Hirst
Director

Date: 30 September 2022

The notes on pages 17 to 38 form part of these financial statements.

Sygnature Discovery Limited

Statement of Changes in Equity For the Year Ended 31 March 2022

	Called up share capital	Capital redemption reserve	Capital contribution reserve	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 April 2021	95	5	628,524	(257,008)	27,132,690	27,504,306
Comprehensive income for the year						
Profit for the year	-	-	-	-	9,727,013	9,727,013
Total comprehensive income for the year	-	-	-	-	9,727,013	9,727,013
At 31 March 2022	95	5	628,524	(257,008)	36,859,703	37,231,319

Statement of Changes in Equity For the Year Ended 31 March 2021

	Called up share capital	Capital redemption reserve	Capital contribution reserve	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 April 2020	95	5	623,373	-	18,434,402	19,057,875
Comprehensive income for the year						
Profit for the year	-	-	-	-	8,698,288	8,698,288
Total comprehensive income for the year	-	-	-	-	8,698,288	8,698,288
Contributions by and distributions to owners						
Capital contribution	-	-	5,151	-	-	5,151
Hive up of Xenogenesis Limited trade and assets	-	-	-	(257,008)	-	(257,008)
Total contributions by and distributions to owners	-	-	5,151	(257,008)	-	(251,857)
At 31 March 2021	95	5	628,524	(257,008)	27,132,690	27,504,306

The notes on pages 17 to 38 form part of these financial statements.

Sygnature Discovery Limited

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

1. General information

Sygnature Discovery Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the Company Information page and the nature of the company's operations and principal activity is set out in the Strategic Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Spark Topco Limited as at 31 March 2022 and these financial statements may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

2.3 Exemption from preparing consolidated financial statements

The company is a parent company that is also a subsidiary included in the consolidated financial statements of its ultimate parent company and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

Sygnature Discovery Limited

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

2. Accounting policies (continued)

2.4 Going concern

The company is part of wider Group debt facilities and therefore the directors have assessed the going concern of the company by reviewing the wider Group. The board have prepared Group forecasts to March 2025 and considered a period of one year from the date the financial statements are approved. The forecasts are based on historic trading patterns and forecast growth. The directors are satisfied that the Group has headroom in its existing committed facilities to respond to the various realistic downside sensitivities in its forecasts that could be reasonably expected to be forecast at the date of approval of the financial statements such as further significant disruption arising from COVID-19 following the release of lockdown and increasing cases or the impact of the war in Ukraine and cost inflation.

After consideration of these forecasts and taking account of historic trading and cash headroom, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence and to meet its debt covenants and settle its liabilities as and when they fall due for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover represents the value of drug discovery services provided in the year excluding value added tax.

Turnover is recognised as contractual obligations are fulfilled.

Certain contracts allow costs incurred on the projects to be recharged. Where the company is the principal in the transaction the turnover is recognised as the related costs are incurred.

2.6 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life of 10 years.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Sygnature Discovery Limited

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

2. Accounting policies (continued)

2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	- Straight line over remaining lease term
Laboratory equipment	- 3 to 10 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.8 Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.10 Stocks

General laboratory stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

Screening compound stocks purchased are recognised at cost.

Internally produced compound stocks are presented at cost to produce; including consumable, staff and apportioned overhead costs. Work In Progress (WIP) compounds are recognised at the average cost of completed compounds to date which management believe to be the true and fairest representation of value.

2.11 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Sygnature Discovery Limited

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

2. Accounting policies (continued)

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

2.14 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Sygnature Discovery Limited

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

2. Accounting policies (continued)

2.15 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure. This includes the Government Coronavirus Job Retention Scheme ('Furlough Scheme') and research and development tax credits.

2.16 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.17 Finance costs

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

2.18 Leased assets

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Sygnature Discovery Limited

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

2. Accounting policies (continued)

2.19 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the company in independently administered funds.

2.20 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.21 Provisions for liabilities

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

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.22 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Sygnature Discovery Limited

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

2. Accounting policies (continued)

2.23 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether leases entered into by the company either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Determine whether the company is acting as an agent or as the principal in the relation to consumable costs purchased from third-party suppliers and subsequently recharged to the customer to determine whether both costs and associated revenue should be recognised.
- Determine whether work on certain projects constitutes qualifying costs in relation to the applicable legislation in order to claim research and development tax reliefs.
- Determine whether there are indicators of impairment of the company's intangible fixed assets. Factors taken in reaching this conclusion require the entity to estimate the future cashflows expected to arise and a suitable discount rate in order to calculate its present value.

Other key sources of estimation uncertainty

- Tangible and intangible fixed assets (see note 14 and 13) are depreciated and amortised over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Sygnature Discovery Limited

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

3. Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

Other key sources of estimation uncertainty (continued)

- Valuation of investments (see note 15) are considered for indicators of impairment on an annual basis. Where indicators of impairment exist, an impairment test is carried out. This requires certain judgements including estimates of future cash flows to determine the value in use of the investment in order to determine whether the recoverable amount is less than the carrying amount and therefore an impairment is required.
- Intangible assets and goodwill are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is an indication that an asset is impaired, the carrying value of the asset is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

4. Turnover

The whole of the turnover is attributable to the single principal activity of the company as disclosed in the Strategic Report.

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	18,970,758	15,209,782
Rest of Europe	8,866,603	7,229,649
Rest of the world	24,334,698	19,070,192
	<u>52,172,059</u>	<u>41,509,623</u>

5. Other operating income

	2022 £	2021 £
Research and development expenditure credit	1,512,406	1,063,791
Government grants received	-	77,388
	<u>1,512,406</u>	<u>1,141,179</u>

Sygnature Discovery Limited

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

6. Operating profit

The operating profit is stated after charging:

	2022 £	2021 £
Tangible fixed assets - depreciation	2,237,722	1,790,480
Intangible fixed assets - amortisation	851,728	245,884
Other operating lease rentals	1,998,732	1,435,984
	<u> </u>	<u> </u>

7. Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	40,000	30,400
	<u> </u>	<u> </u>
	40,000	30,400
Fees payable to the company's auditor and its associates in respect of:		
Taxation compliance services	40,000	6,000
All other assurance services	12,250	5,000
All other services	5,850	4,100
	<u> </u>	<u> </u>
	58,100	15,100
	<u> </u>	<u> </u>

Sygnature Discovery Limited

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

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2022 £	2021 £
Wages and salaries	18,265,396	13,413,648
Social security costs	1,916,041	1,382,771
Cost of defined contribution scheme	2,101,185	1,643,145
	<u>22,282,622</u>	<u>16,439,564</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2022 No.	2021 No.
Administration	62	43
Research and development	366	300
Marketing	3	3
Sales	9	8
	<u>440</u>	<u>354</u>

9. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	672,401	455,043
Company contributions to defined contribution pension schemes	91,531	91,228
	<u>763,932</u>	<u>546,271</u>

During the year retirement benefits were accruing to 5 directors (2021 -5) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £233,334 (2021 - £141,120).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £24,088 (2021 - £22,877).

Sygnature Discovery Limited

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

10. Interest receivable and similar income

	2022 £	2021 £
Other interest receivable	550	-

11. Interest payable and similar expenses

	2022 £	2021 £
Bank interest payable	-	2,950
Loans from group undertakings	176,850	-
Finance leases and hire purchase contracts	14,313	13,973
	191,163	16,923

12. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	(119,000)	696,987
Adjustments in respect of previous periods	(23,373)	(15,687)
Total current tax	(142,373)	681,300
Deferred tax		
Origination and reversal of timing differences	(661,000)	135,385
Changes to tax rates	495,000	-
Adjustments in respect of previous periods	(119,000)	-
Total deferred tax	(285,000)	135,385
Taxation (credit)/charge on profit	(427,373)	816,685

Sygnature Discovery Limited

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

12. Taxation (continued)

Factors affecting tax (credit)/charge for the year

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	<u>9,299,640</u>	<u>9,514,973</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	1,766,932	1,807,845
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	406,520	7,728
Adjustment in research and development tax credit leading to a decrease in the tax charge	(214,000)	(122,185)
Adjustments to tax charge in respect of prior periods	(142,373)	(15,687)
Other differences leading to an decrease in the tax charge	-	(7,429)
Group relief surrendered/ (claimed)	356,601	(892,767)
EMI share scheme deduction	(2,872,000)	-
Fixed asset differences	(51,076)	51,326
Non-taxable income	(10,879)	(12,146)
Research and development increased deduction	(214,000)	-
Other differences leading to an increase (decrease) in the tax charge	51,902	-
Changes to tax rates	495,000	-
Total tax (credit)/charge for the year	<u>(427,373)</u>	<u>816,685</u>

Factors that may affect future tax charges

On the 3rd March 2021 Budget it was announced that the UK corporation tax rate will increase to 25% from 1 April 2023. This was substantively enacted on 24 May 2021. As this rate was substantively enacted at the balance sheet date it has been used to calculate the deferred tax balance.

Sygnature Discovery Limited

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

13. Intangible assets

	Development expenditure £	Customer contracts £	Computer software £	Goodwill £	Total £
Cost					
At 1 April 2021	45,291	16,645	207,588	7,273,364	7,542,888
Additions	147,291	-	-	-	147,291
Disposals	-	-	(14,100)	-	(14,100)
Transfer from Renasci Limited	548,000	-	-	-	548,000
Reclassification	(15,128)	-	(17,321)	32,449	-
At 31 March 2022	725,454	16,645	176,167	7,305,813	8,224,079
Amortisation					
At 1 April 2021	932	16,645	48,099	184,033	249,709
Charge for the year	46,167	-	23,636	781,925	851,728
On disposals	-	-	(12,600)	-	(12,600)
At 31 March 2022	47,099	16,645	59,135	965,958	1,088,837
Net book value					
At 31 March 2022	678,355	-	117,032	6,339,855	7,135,242
At 31 March 2021	44,359	-	159,489	7,089,331	7,293,179

The goodwill is being amortised over the directors estimate of its useful economic life of 10 years.

Sygnature Discovery Limited

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

14. Tangible fixed assets

	Leasehold improvements £	Laboratory equipment £	Total £
Cost			
At 1 April 2021	5,225,658	13,481,270	18,706,928
Additions	908,999	2,951,933	3,860,932
Transfer from Renasci Limited	7,966	599,919	607,885
Disposals	-	(6,036)	(6,036)
At 31 March 2022	6,142,623	17,027,086	23,169,709
Depreciation			
At 1 April 2021	3,023,904	5,089,236	8,113,140
Charge for the year	988,944	1,248,778	2,237,722
Disposals	-	(1,601)	(1,601)
At 31 March 2022	4,012,848	6,336,413	10,349,261
Net book value			
At 31 March 2022	2,129,775	10,690,673	12,820,448
At 31 March 2021	2,201,754	8,392,034	10,593,788

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2022 £	2021 £
Laboratory equipment	460,417	558,133

Finance leases

The depreciation charged to the Statement of Comprehensive Income for the year was £97,714 (2021 - £60,690).

Sygnature Discovery Limited

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

15. Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 April 2021	2,561,483
At 31 March 2022	2,561,483
Amortisation	
At 1 April 2021	652,079
At 31 March 2022	652,079
Net book value	
At 31 March 2022	1,909,404
At 31 March 2021	1,909,404

The company holds a 100% interest in the ordinary share capital of Xenogenesis Limited a company incorporated in the United Kingdom. Following the transfer of all trade, assets and liabilities to Sygnature Discovery Limited in the prior year, Xenogenesis Limited is no longer trading.

16. Stocks

	2022 £	2021 £
Compound stocks	909,315	640,543
Consumable stocks	261,582	244,782
	1,170,897	885,325

Compound stocks have been impaired by £41,781 (2021 - £34,835) and charged to the Statement of Comprehensive Income in the year.

Sygnature Discovery Limited

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

17. Debtors: amounts falling due within one year

	2022 £	As restated 2021 £
Trade debtors	6,942,090	3,434,139
Amounts owed by group undertakings (see note 20)	11,935,199	5,220,209
Other debtors	1,595,410	579,914
Prepayments and accrued income	3,205,593	2,206,383
	<u>23,678,292</u>	<u>11,440,645</u>

The amounts recognised in the Statement of Comprehensive Income in respect of bad debts is £99,695 (2021 - £Nil).

Amounts owed by group undertakings are interest free, unsecured and repayable on demand.

18. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	<u>6,490,065</u>	<u>5,309,055</u>

19. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	1,760,761	2,294,050
Amounts owed to group undertakings	6,113,056	332,029
Corporation tax	75,221	112,074
Other taxation and social security	899,632	572,722
Obligations under finance lease and hire purchase contracts	138,577	127,023
Other creditors	104,107	762,344
Accruals and deferred income	3,546,218	2,146,758
	<u>12,637,572</u>	<u>6,347,000</u>

Amounts owed to group undertakings are interest free and repayable on demand.

Sygnature Discovery Limited

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

20. Creditors: amounts falling due after more than one year

	2022 £	As restated 2021 £
Net obligations under finance leases and hire purchase contracts	217,783	404,174
Amounts owed to group undertakings	1,265,844	1,088,994
	<u>1,483,627</u>	<u>1,493,168</u>

Details of the finance lease and hire purchase contracts are included in note 21 of the financial statements.

Hire purchase and finance lease creditors are secured on the assets concerned.

Prior period adjustment

During the year the directors identified that certain inter-group loan arrangements had formalised loan agreements which included repayment terms which has not previously been accounted for in error. At 31 March 2021, £1,088,994 of amounts due to group companies have been reclassified within creditors as due in more than one year instead of offsetting trading balances. The effect of this adjustment does not change the tax position of the company. The adjustment in this company is offset by the reverse entry in other 100% group companies and there is no change to the overall group position reported in the consolidated financial statements of the parent company.

21. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2022 £	2021 £
Within one year	138,577	127,023
Between 1-5 years	217,783	404,174
	<u>356,360</u>	<u>531,197</u>

Hire purchase and finance lease creditors are secured on the assets concerned.

22. Deferred taxation

Sygnature Discovery Limited

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

22. Deferred taxation (continued)

	2022 £
At beginning of year	1,852,068
Charged to profit or loss	(285,000)
Arising on transfer of assets and trade of Renasci Limited (note 26)	107,166
At end of year	1,674,234

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	3,285,000	1,971,674
Tax losses carried forward	(1,610,000)	(119,606)
Other short term timing differences	(766)	-
	1,674,234	1,852,068

23. Deferred grant income

During the year, the company received no further grants (2021 - £Nil). In accordance with the accounting policy this is to be released to the profit and loss account as the associated costs are incurred.

	2022 £	2021 £
Unreleased opening grant	234,854	265,033
Grant received in the year	-	-
Grant released to profit and loss	(57,258)	(30,179)
Foreign exchange movements	-	-
	177,596	234,854

24. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
95,000 ordinary shares of £0.001 each	95	95

Sygnature Discovery Limited

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

25. Reserves

The company's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Capital contribution reserve

Contribution by shareholders that is not in return for share capital in the company.

Capital redemption reserve

Contains the nominal value of own shares that have been acquired by the company and cancelled.

Merger reserve

Merger reserve arose on a past business combination that was accounted for as a merger in accordance with UK GAAP as applied at that time.

Profit and loss account

All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

Sygnature Discovery Limited

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

26. Transfer of business

On 31 January 2022, Sygnature Discovery Limited acquired the assets and trade of Renasci Limited at book value and with effect from that date Renasci Limited became dormant.

The book and fair value of the recognised amounts of identifiable assets acquired and liabilities assumed are:

	Book value £	Fair value £
Fixed Assets		
Tangible	607,885	607,885
Intangible	548,900	548,900
	<u>1,156,785</u>	<u>1,156,785</u>
Current Assets		
Stocks	44,122	44,122
Debtors	1,373,636	1,373,636
Cash at bank and in hand	797,768	797,768
	<u>3,372,311</u>	<u>3,372,311</u>
Total Assets		
Creditors		
Due within one year	(776,991)	(776,991)
Deferred taxation	(107,166)	(107,166)
	<u>2,488,154</u>	<u>2,488,154</u>
Total Identifiable net assets		
	<u>2,488,154</u>	<u>2,488,154</u>
Consideration		
		£
Amount adjusted through the intercompany account		<u>2,488,154</u>

27. Contingent liabilities

There is security in favour of the third party debt provider in place over the assets of Spark Midco 2 Limited and its subsidiaries, excluding Sygnature Discovery Trustee Company Limited.

Sygnature Discovery Limited

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

28. Capital commitments

At 31 March 2022 the company had capital commitments as follows:

	2022 £	2021 £
Contracted for but not provided in these financial statements	<u>1,626,011</u>	<u>752,758</u>

29. Pension commitments

The company operates defined contribution pension schemes, the assets of which are held separately from those of the company in independently administered funds. The pension costs charged to the Statement of Comprehensive Income represent contributions payable by the company during the year and amounted to £2,101,185 (2021 - £1,623,025) of which £16,853 (2021 - £10,414) was unpaid at the balance sheet date and are included in creditors.

30. Commitments under operating leases

At 31 March 2022 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	2,809,800	1,601,604
Later than 1 year and not later than 5 years	11,632,374	6,672,136
Later than 5 years	13,060,539	9,546,177
	<u>27,502,713</u>	<u>17,819,917</u>

31. Related party transactions

During the year purchases of £88,974 (2021 - £138,650) were made from Peak Proteins Limited, a company associated with the Group with a common key management. The amount outstanding at the year end was £Nil (2021 - £9,360).

During the year sales of £7,825 (2021 - £18,914) were made to SAS Step Pharma, a French company associated with the Group with a common director. The amount outstanding from SAS Step Pharma at the year end was £Nil (2021 - £12,877).

During the year a loan was made to a director by the company. At the year end £58,144 (2021 - £nil) was outstanding representing the amounts loaned in the period.

The company's related party transactions in the year include the remuneration of the directors' emoluments and pension entitlements disclosed in note 9 of the financial statements and who were considered to represent key management personnel.

Sygnature Discovery Limited

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

32. Post balance sheet events

On the 12 April 2022, Sygnature Discovery Limited acquired, directly and indirectly, 100% of the share capital of Peak Proteins Ltd. The transaction involved the acquisition of 52% of the issued share capital of Peak Proteins Ltd and 100% of the issued share capital of Evergreen Holdco 3 Limited. Evergreen Holdco 3 Limited holds the remaining 48% of the issued share capital of Peak Proteins Ltd. Peak Proteins's core technologies include protein expression and purification, alongside protein crystallography, structure determination and mass spectrometry services.

At the time that the financial statements have been authorised for issue, the initial accounting for this business is incomplete. As such the full disclosure of this business combination cannot be made at this time.

33. Controlling party

As at the year end, Sygnature Discovery Limited was controlled by Evergreen Holdco 1 Limited, a company incorporated in the United Kingdom which is the ultimate parent company. The registered office of Evergreen Holdco 1 Limited is the same as Sygnature Discovery Limited, as given in the company information page.

The smallest and largest group for which consolidated accounts are prepared is Spark Topco Limited, a company incorporated in the United Kingdom. The registered office of Spark Topco Limited is the same as Sygnature Discovery Limited, as given in the company information page. Consolidated accounts are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

The directors do not consider there to be a single ultimate controlling party.