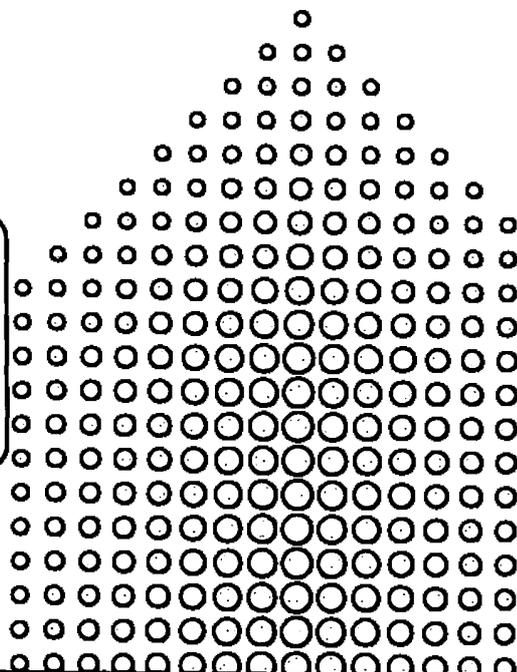




Hwb Gwyddorau Bywyd Cymru  
Life Sciences Hub Wales

# Annual report and accounts 2021-2022





**Registered office**

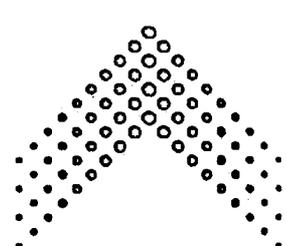
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# The Chair's Statement



Hello, and welcome to this year's annual report, helo, a chroeso i'r adroddiad blynyddol eleni.

It was my pleasure and privilege to be appointed as Chairman of the Life Science Hub Wales this year at such an extraordinary time for our sector. 2021/2 saw our organisation continue to adapt to a range of opportunities and challenges felt across the industry. This year's report is a testament to how our team have continued to think differently and nurtured partnership working across health, social care and industry with innovative ideas and adoption in the face of much needed transformational change.

The nature of life sciences means working within it is very dynamic – we support innovators at the forefront of their respective fields creating cutting-edge products, services and ways of working that benefit health, care and wellbeing. But while some of the projects and programmes we support develop at a fast pace, important constants always remain such as striving for excellence, being adaptable, responsive and delivering value for money. This is what makes an organisation like ours successful and sustainable ensuring our outputs and impact are fit for now and for future generations.

We are still feeling the impact of Covid-19 across our business and our lives. 2020 was about our initial response, whereas this year has seen us accepting its continued presence and adjusting to it, alongside taking key learnings and applying them to our organisational strategy and approach. I have seen first-hand not only within our staff, but from all our partners, the desire to do things differently that has agility and collaboration at its core.

We are not the only organisation thinking about how we can use such learnings, with the UK Government's 'Life Sciences Vision' (2021) detailing how we can build on the scientific successes and ways of working from Covid-19 to tackle future disease challenges. This document also highlights the importance of preventative healthcare and early intervention work, which are critical areas of life sciences innovation that we have prioritised this year and have been put at the core of our next business plan. We have also worked closely with partners across the UK such as the Department for International Trade to further align our approaches to innovation and ensure Wales has a seat at the table for progressing this bold vision.

Within Wales, there has also been a policy focus on preventative healthcare. The new Programme for Government plan (2021) details how this can be used to create a fairer and healthier society for all, building on the approach laid out in the 'Wellbeing of Future Generations Act' (2015). Such policy aligns with our core aims as an organisation, and our team have spent 2021/2 working towards this in collaboration with other organisations across Wales to drive such system change.

This year also saw the UK host COP26, putting the debate about how we can reach net zero at the top of the agenda. While governments may struggle to settle upon a chosen strategy, it is more clear than ever before that citizen action - which includes organisations like our own - can make change happen.

In 2021, we have continued to support this both in the way we run our business and how we can encourage a low carbon, sustainable approach for health and social care. We are proud to have coordinated and supported a range of projects, such as pilots and service evaluations of digital solutions that allow care closer to home and the remote monitoring of patients.

Work like this can help improve patient outcomes and make cost savings – helping to create a society that is fit for the future and benefits the social, economic, environmental and cultural wellbeing of Wales.

Alongside improving environmental efficiencies, work like this can also help improve patient outcomes and make cost savings – helping to create a society this is fit for the future and benefits the social, economic, environmental and cultural wellbeing of Wales.

This year has seen us strengthening our board, with Victoria Bates, Erica Cassin, Prof Hamish Laing, Len Richards and Peter Max all bringing diverse experiences as leaders across their relevant sectors to help us shape our own strategic direction. We were also delighted to welcome the CEO Lead for Innovation in NHS Wales, Paul Mears, and the Managing Director for NHS Shared Services, Neil Frow, as observers to our Board to provide invaluable input from an NHS Wales leadership perspective.

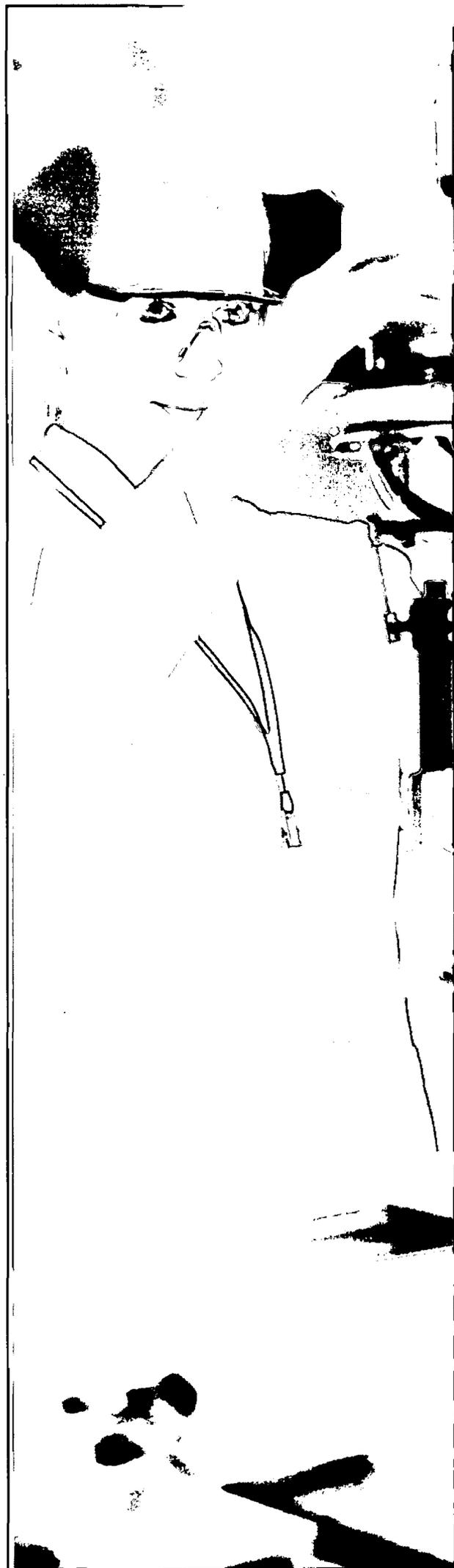
However, there was also one notable departure in our senior leadership: our former Chairman Professor Sir Mansel Aylward has stepped down, handing the mantel to myself. I'm sure I speak on behalf of everyone at our organisation when I thank him for his years of leadership and the role that he played in transforming Life Sciences Hub Wales and getting it to the place it is today. Diolch yn fawr iawn, Mansel.

I'd finally like to take this opportunity to thank all of the staff working at our organisation for their dedication and hard work throughout this year. This annual report highlights some of their fantastic achievements, where they have gone above and beyond working in partnership with some incredible organisations ranging from start-ups to Health Boards through to multinational organisations. Through work like this, and working with our partners across health, social care, industry, and government, we can create a healthier, fairer and more sustainable society in Wales.

Please come on the journey with us.



**Chris Martin, Chairman**





# Chief Executive Summary

**Our Chief Executive Officer, Cari-Anne Quinn,  
shares her thoughts on the past year**

## **How would you summarise the performance in 2021/22?**

This year has seen us continuing to bring together partners from across a range of sectors to deliver innovation for solutions for better health, care and wellbeing. We have balanced the immediate needs of the continued Covid-19 pandemic response with a long-term approach to help deliver long-term and sustainable transformation – collaborating with partners to support Wales in building back better and futureproofing our health and social care systems

We have strongly demonstrated our role in helping the development and adoption of innovative solutions, with us exceeding many of our key performance indicators. We continued to work very closely with a range of partners, supporting 301 organisations and assisting 330 jobs. Such work has led to a GVA £18,150,000, demonstrating the economic value we bring to the sector in Wales.

This year has also seen us significantly strengthening our team as we continue to enhance our service offering based on the evolving needs of our partners working across health, social care and industry. We move into 2022/23 having aligned our services to support systems gaps, due to recruiting a cohort of individuals with significant expertise in health innovation to provide important services such as sector and market intelligence insights.

## **What were your key highlights for 2021/22?**

In 2021/22 we have seen more recognition than ever of the role life sciences innovation has in transforming the health and wealth of our nation.

It's therefore fantastic to see our core focusses as an organisation aligning with the appetite from government to use system-wide change to accelerate access to health, care and wellbeing innovation.

A big focus has been supporting partners in working together using a 'One Wales' approach, building on the strengths of the existing component parts to avoid internal competition and encourage seamless collaboration.

We have seen this potential in our work helping the development of the Cardiff Edge Science Park, which will offer a collaborative environment for the research and development of innovations and technologies.

Our work here includes supporting global life sciences organisation Cytiva expand their facilities at their Cardiff Edge site, where we worked closely in partnership with the UK Department for Business, Energy & Industrial Strategy, UK Vaccine Task Force and colleagues across Welsh Government. This investment by Cytiva will lead to the creation of over 200 new jobs and an expansion of their facilities by around 70,000 square foot in order to produce a product critical to the global supply chain for Covid-19 vaccinations.

We have also centred our work on early detection and diagnosis of disease as part of our preventative healthcare agenda. This is also being prioritised by both the UK and Welsh Government, who recognise its potential in reducing disease impact. A highlight of this was our Early Detection and Diagnostics programme in partnership with the Wales Cancer Network.

This saw us working together to organise a summit where 120 invited key opinion leaders, experts and practitioners discussed emerging technologies and how we can progress our work in this field. The value attendees got from this event has led to us planning follow up meetings to help early detection and diagnosis work continue to move forward.

2021 has seen us begin an exciting journey, building on our extensive experience in accelerating innovation towards co-creating an integrated, preventative wellness system that can meet the needs of future generations of Wales. I am confident that we are well equipped as an organisation to support this bold mission, which is strengthened by the incredible support, drive and leadership from our Chairman, Chris Martin.

## What are your plans for 2022/23?

We go into this year with our health and social care systems in Wales and beyond facing severe pressures. Significant patient backlogs and operational pressures caused by Covid-19 have increased the challenges our health and social care systems have long faced. The innovative products, services and ways of working put forward by life sciences industry can help us to tackle such pressures, which has been recognised by governments across the world.

We have used 2021/2 to explore how our organisation can best meet the evolving needs of not only our health and social care systems but the life sciences sector, creating a sustainable plan that supports long-term efforts, improved patient benefits and economic growth through innovation.

Our new 2022/3 Business Plan will help maximise the impact of transformational change and has been developed closely with a range of cross-sector partners that recognises their requirements, challenges and opportunities, as well being grounded in Welsh and UK Government policy.

With prevention at its core - we will support the movement to a more deeply integrated wellness system, bring health and social care services closer to home for patients, and support transformational change in our secondary care infrastructure.

We have also refined our chosen thematic priorities to better reflect our new plan, focussing on two areas. Digital, Artificial Intelligence and Robotics is the first, where the continued expansion of Wales' digital infrastructure can make services more accessible, improve the patient journey and help staff to deliver a better service. Our second is Precision Medicine, covering early diagnostics, genomics and advanced therapies. Here, we will work with a range of partners to create an innovation pipeline across Wales that is aligned by the UK Government's 'Life Science Vision', which prioritises these areas.

With prevention at its core - we will support the movement to a more deeply integrated wellness system, bring health and social care services closer to home for patients, and support transformational change in our secondary care infrastructure.

## What are your longer-term growth plans?

The continued growth of the life sciences industry is showing no signs of halting, with the UK Government's 'Life Sciences Vision' (2021) stating it is among the most valuable and strategically important sectors for country's overall health and wealth.

It's therefore important that we positively represent the health, social care and life sciences landscape of Wales through meaningful engagement with the UK Government and its associated organisations. Life Sciences Hub Wales can champion opportunities for health innovation in Wales as a key part of the UK's wider research and innovation landscape. This will allow us to work more holistically with the UK, with each of us drawing up on our relative strengths and help drive global investment into Wales.

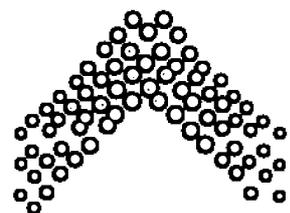
One of these strengths in Wales is our joined-up healthcare system which allows easier access across the full pathway of care delivery from primary to secondary care and into the community. However, there is a strong case for further deepening this integration and thinking beyond just health and social care. By joining up life sciences activities in Wales with our health and social care services, we can help cross-sector collaboration to flourish through shared visions that build upon each partner's component parts. Our insight and understand of the life sciences landscape in Wales means we can shape this, driving activity that will maximise our growth and recovery following the pandemic.

This is also the case on the international stage, where we have seen an already global industry become even more so. The pandemic saw unprecedented cross-sector collaboration between many nations delivering results at a significant pace and scale. It is important that Wales can be positioned within these continuing global partnerships.

Working with Welsh and UK Government, Life Sciences Hub Wales can help support this by communicating our strengths and achievements at international business meetings and regional innovation summits. We will also work to identify pan-national engagement opportunities, increasing the prominence of life sciences and health and social care as a key sector in Wales' overseas trade and investment development programmes.

Our new business plan has allowed us to tailor our organisation to the needs of Wales, the UK and international partners in world that has been shaped by the challenges and opportunity of Covid-19. We want to galvanise our partners across all sectors to drive health, economic and social improvement in Wales.

# About us



# Who we are

Life Sciences Hub Wales is an arm's length body of Welsh Government. Since 2018, our focus has been to integrate organisations to catalyse the development and adoption of innovation across the health and social care sector in Wales.

We are a trusted innovation delivery partner – taking an agile, flexible and responsive approach when working with our stakeholders.

We possess the knowledge and insight of both the life sciences sector and health and care landscape across Wales.

This makes us an independent bridge between stakeholders in health, social care, academia, MedTech, pharma and industry successfully enabling collaboration and accelerating the adoption of innovation.

## Our vision is to...

Make Wales the place of choice for health, care and wellbeing innovation.

## We achieve this by...

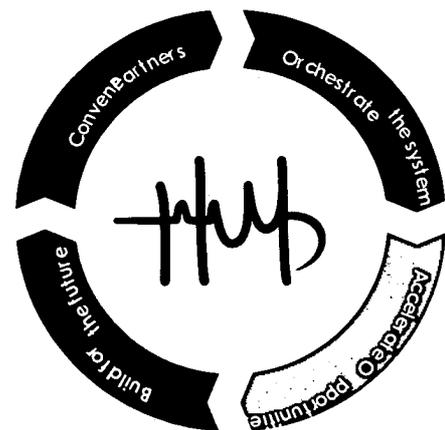
Accelerating the development and adoption of innovative solutions for better health and wellbeing.

# How we work

We partner with industry, health, social care, government and academia – focusing on early detection and prevention. We are committed to overcoming barriers and finding solutions through meaningful pan-sector collaboration that benefit citizens and businesses across the nation and beyond.

## Our delivery priorities:

- Identifying and developing innovation from industry.
- Curating and promoting innovation within NHS Wales.
- Developing an effective funding identification and delivery function in line with health and social care thematic opportunities.
- Convening and orchestrating stakeholders to collaborate, drive forward national programmes and innovation deployment.



## Our services:

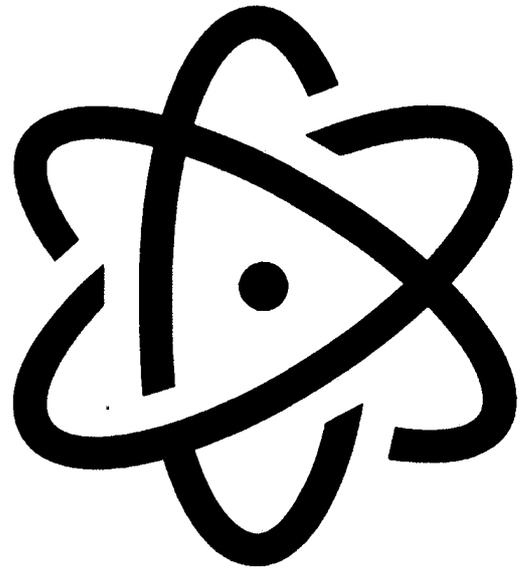
- Horizon scanning and innovation scouting: Searching for innovative products and techniques to support specific healthcare challenges and identifying and triaging new technologies with strong market potential.
- Market analytics: Producing insights and market reports, in-depth white papers and bespoke research as stakeholder and sector mapping.
- Business case support for healthcare partners: Producing standardised business cases and as a neutral and trusted partner to develop national cases spanning across health boards and local authorities.
- Project management: Facilitating the evaluation and establishment of an evidence base for the effectiveness of products and services in practice, alongside facilitating discussion and potential collaboration between cross-sector partners by convening the system.

# Fitting into the innovation landscape

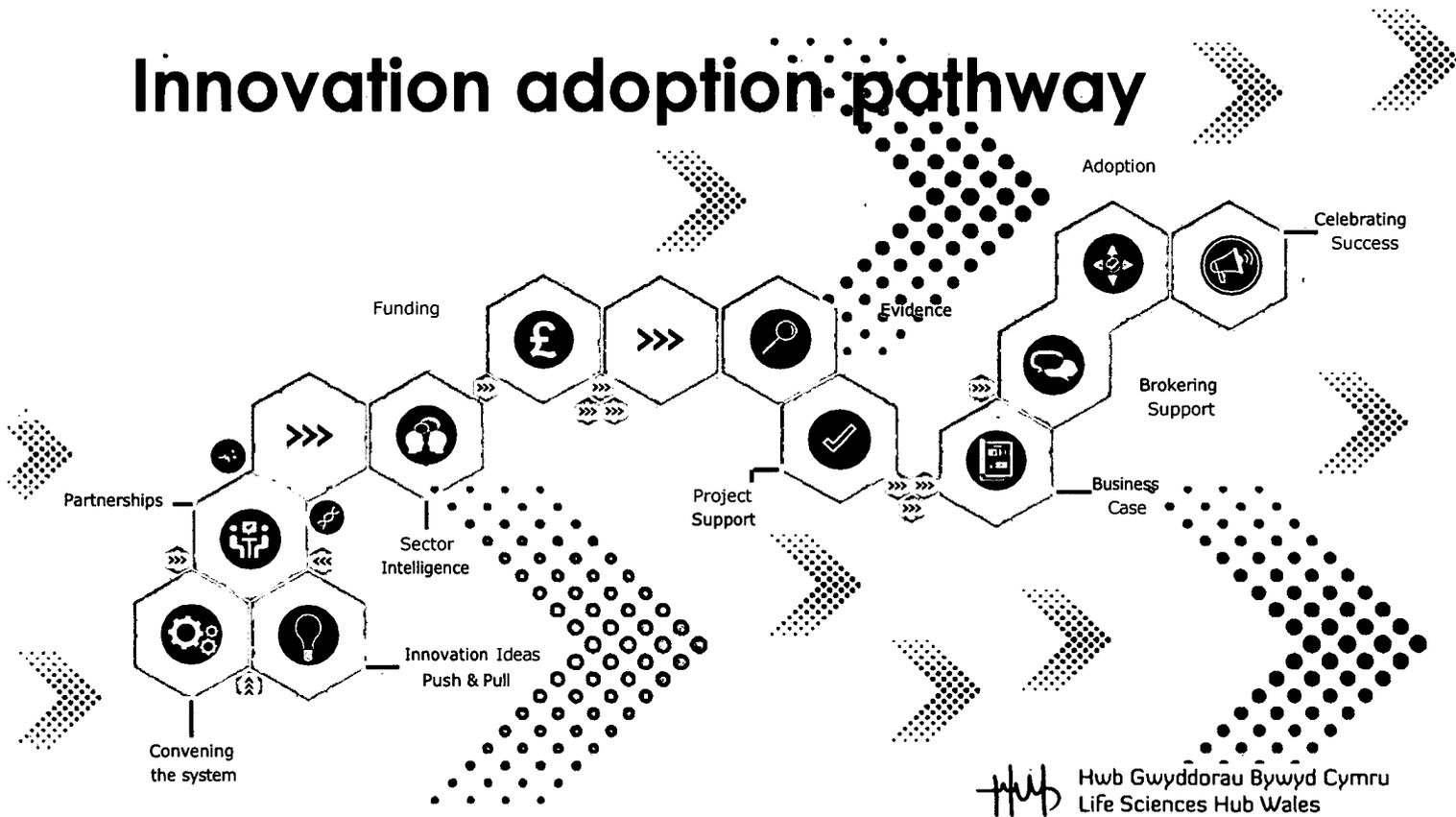
We work across a complex ecosystem that is helping to deliver transformation to health and social care in Wales and beyond. This dynamic landscape means that there are myriad stakeholders involved - all of whom have a unique role to play in accelerating the delivery and adoption of solutions to improve patient outcomes. We encourage cross-sector co-operation and implementation across a wide range of organisations and help to drive system-wide change by orchestrating and convening these connections.

Our work sees us representing Wales within a UK context, working alongside the AHSN Networks. We engage clinically to support recovery and backlog needs post pandemic through supporting regional delivery and national programmes. We work with partners working across all areas of innovation in health and social care including Wales' seven local health boards and three NHS trusts, Digital Health & Care Wales (DHCW), Social Care Wales, TEC Cymru and Health Technology Wales (HTW).

As an integrator organisation, our expert team provides bespoke support along the innovation adoption pathway - delivering valuable services to help foster innovation across all stakeholders. By helping to navigate the complex system, our service offering supports the implementation of innovative solutions and help drive forward national adoption programmes.

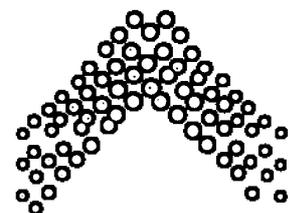


## Innovation adoption pathway



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Life Sciences Hub Wales

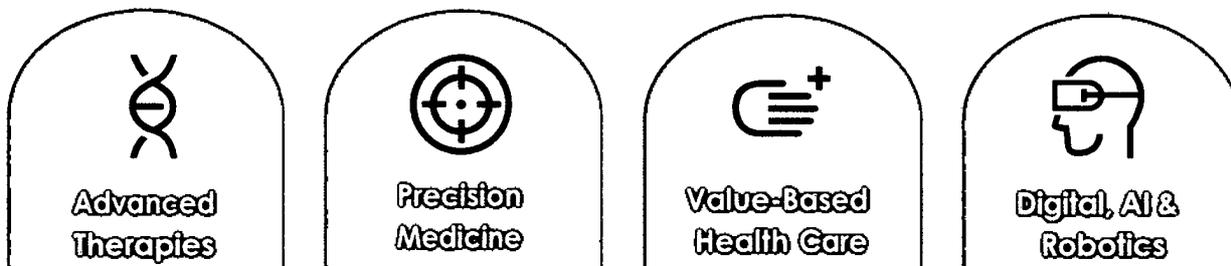
# Delivery highlights



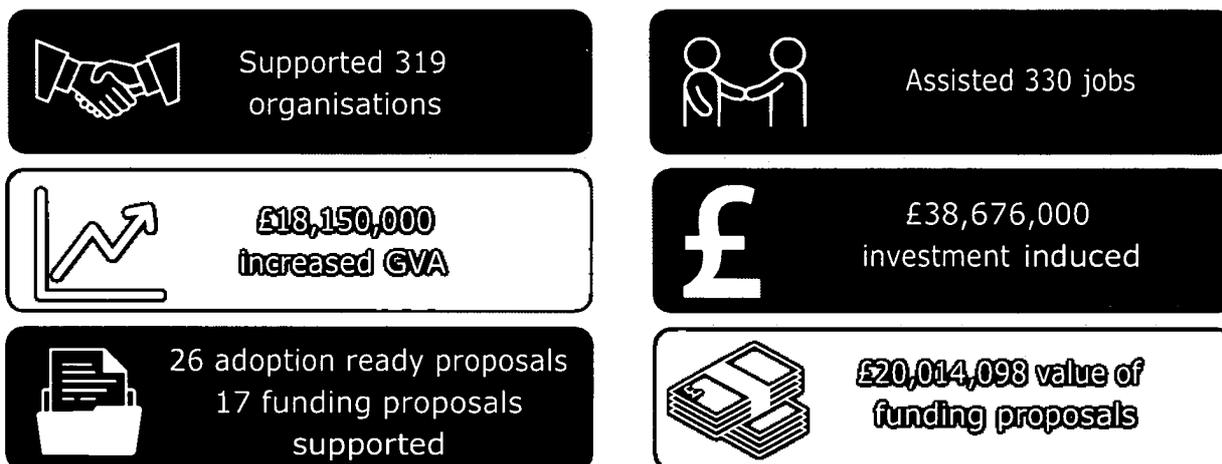
# Performance

We have supported a wide range of activities to help accelerate the development and adoption of innovative solutions that improve health and economic wellbeing outcomes in Wales. Our team have delivered a diverse, expanded and strengthened selection of support services.

We have worked across our priority areas:



## In 2021/22, Life Sciences Hub Wales:



## Our highlights include...

- Supporting the health service to address recovery and backlog requirements post-pandemic.
- Exploring the challenges and opportunities to drive forward early detection and diagnosis of cancer by bringing together 120 leaders working at the forefront of this field in partnership with the Wales Cancer Industry Forum.
- Supporting Cytiva’s global team through their decision-making process that resulted in significant investment and development of the Cardiff Edge manufacturing facility. The newly developed site will help increase Cytiva’s global manufacturing capacity for single-use products by 20%.
- Supporting the development of an All-Wales Robotic Assisted Surgery Network in partnership with health boards and the Moondance Cancer initiative. The national robotic assisted surgery programme will provide minimally invasive surgery for thousands of cancer patients across Wales
- Supporting the advancement of new technology in Wales including liquid biopsies, remote monitoring and artificial intelligence to enable diagnostics and reduce hospital visits.

# Convening partners

We have undertaken a leading coordination role for bringing together stakeholders from across health, social care, industry and academia for project collaboration, interest groups and events. When together, they have combined their relative strengths, expertise and resources to support the transformation of services that will allow the delivery of high-quality sustainable care.

## AI and heart failure



We engaged with global life sciences organisation Amgen to support on a new project that will use artificial intelligence to inform heart failure pathway redesign. Hywel Dda University Health Board, Wales Cardiac Network and SAIL databank have worked in partnership to help develop this. Amgen has since confirmed they will be making a significant financial investment to drive forward early stages of development – identifying Wales as a global centre to drive forward their ambitions in this work.



## Delivering the Early Detection and Diagnosis of Cancer Summit



“Events like this one help to convene and galvanise major stakeholders to transform such services, where all bring diverse experience and insights, but we will only deliver against our aspirations by working together.”

Tom Crosby,  
National Clinical Director for Wales,  
Wales Cancer Network

We worked with the Wales Cancer Industry Forum and the Moondance Foundation to organise the 'Innovation for Early Detection and Diagnosis of Cancer in Wales' event.

There is significant scope to improve early detection and diagnosis in Wales. This one-day event on 17 November 2021 was attended by over 120 invited experts, key opinion leaders and practitioners to explore challenges and opportunities around early detection and diagnosis.

We provided both insights and contacts from those working across industry and produced a delegate pack including summaries of recent developments in this field. This was based on extensive background research undertaken by the our Sector Intelligence Team and the Moondance Foundation.

## Coordinating an AI special interest group



We have established an AI Special Interest Group (SIG), which aims to accelerate the development and deployment of safe, ethical AI in health and care.

This is a group of senior leaders made up of academics and clinicians from health and social care, who meet monthly to share knowledge, experiences, ideas and concerns. Industry also attends to showcase technology – providing an opportunity to integrate it into health and social care systems.

We have also recently established a closed secure online platform for members to engage with each other in between meetings and continue important conversations.

This group provides an important forum to bring together partners working across Wales to explore emerging technologies and discuss how they can best be embedded into healthcare systems.



# Orchestrating the system

We understand that large-scale transformation of health and social care is required to continue meeting the needs of our population. Such system change in Wales requires involved partners from across the nation to work seamlessly together and avoid internal competition. We have supported the delivery of a 'One Wales' approach by bringing together cross-sector partners.

## Industry engagement at the developing Cardiff Edge site



We continue to engage with We Are Pioneer Group (WAPG), the largest innovation ecosystem for the science and technology industries in Europe, supporting their ambitious plans to develop the Cardiff Edge Science Park. The science park will provide collaborative workspace for the life science sector supporting the research and development of innovations and technologies. As the master plan develops, our team have been continue identifying and support new opportunities for the life science sector – scoping potential collaboration opportunities to take place here.



Critical to this work will be the co-location of Wales Gene Park, All Wales Medical Genomics Service and Public Health Wales Pathogen Genomics Unit to the Cardiff Edge site. This initiative plans to integrate genomics services and develop a Centre of Excellence for Precision Medicine. We have also supported Cytiva in their significant investment at the Cardiff Edge site, working with the UK Department for Business, Energy & Industrial Strategy, UK Vaccine Task Force and colleagues across Welsh Government. This will see them create over 200 new jobs and an expansion of their facilities by around 70,000 square foot to produce a product critical to the global supply chain for Covid-19 vaccinations.

## Trans magnetic service evaluation



Magstim is a Wales-based company that delivers trans-cranial magnetic stimulation for patients that have failed to respond to multiple ways of treating depression. This is done by a non-invasive series of repetitive, brief and highly focused magnetic pulses, used to stimulate brain cells.

The organisation is based in Wales and supplies their products to the NHS outside of Wales, but not to NHS Wales. To help change this and support a business in exploring potential service offerings for Wales, we have fostered an evaluation between Magstim and Hywel Dda University Health Board – helping NHS Wales to look at the potential of adopting this established technology.

## Bid support



The NHSX AI Health and Care Awards aim to provide up to £140 million of funding to accelerate the testing and evaluation of the most promising AI technologies across the spectrum of development from feasibility through to NHS evaluation. It is run by the Accelerated Access Collaborative (AAC) in partnership with NHSX and the National Institute for Health Research (NIHR). We have supported this national project by promoting its third round of funding, holding events to enable parties to identify partners for bids. With our support, six bids were submitted in September. Applicants have been provided with reviews of their application, including guidance on writing style, content, format, and adherence to funder requirements.

## TNE service evaluation



We initiated a service evaluation in partnership with Cardiff and Vale University Health Board, Cwm Taf Morgannwg University Health Board, the Moondance Cancer Initiative and Olympus. This project will demonstrate the capability of Trans Nasal Endoscopy (TNE) diagnostics for earlier cancer diagnostics. The evaluation aims to improve diagnostics by increasing TNE capacity, reducing the number of cancers diagnosed when they are at an incurable and advanced stage. If successful, this technology has the potential to be rolled out across Wales.

# Accelerating opportunities

We have continued to focus on projects associated with our priority areas of Precision Medicine, Advanced Therapies, Digital and AI and Value-Based Health Care – offering services including project management support, funding advice, bid development support and market intelligence..

## National Business Justification Case development



We worked to develop a Business Justification Case for a National Robotics Assisted Surgery Programme for Wales. The development of Robotic Assisted Surgery (RAS) for across Wales has become a priority due to the accumulating body of evidence and the multiple associated benefits for patients.

The aim of the programme is to rapidly implement a National Robotics Assisted Surgery Programme (NRP), the first of its kind worldwide, delivered in a coordinated programme across Wales.

This will focus on developing a world-class minimally invasive robotic assisted surgical service, which will ultimately replace current techniques of both open and laparoscopic surgery.

The NRP will deliver significant patient benefits and bolstering the existing surgical workforce, as well as expanding and upskilling them.



This national programme embraces the latest innovation to improve patient outcomes and lead to efficient use of surgical teams and resources, which is critical right now.

Tom Crosby,  
National Clinical Director for Wales,  
Wales Cancer Network

## Supporting early diagnostic pathway redevelopment



We have worked with the pathology services in West and North Wales to support introduction of new technology for earlier detection on lung cancer and working with Powys University Health Board on evaluating and planning new point of care testing.

## Supporting ATW



The delivery of the Advanced Therapies Wales (ATW) programme is currently in scoping phase, which aims to understand stakeholder requirements and produce a business case to support ongoing and increased investment in infrastructure and services.

In preparation we have produced a pipeline of industry engagement and are working closely with Advanced Therapies Wales to support with delivery.

## Improving outcomes with value-based procurement



We are working with a range of cross-sector partners on a pioneering Value-Based Health Care Project that aims to improve outcomes for patients in the heart failure pathway.

We have undertaken project planning and clinical and operational team consultation in partnership with Roche Diagnostics, Digipharm and Cwm Taf Morgannwg University Health Board.

This project is using a value-based procurement approach for the use of diagnostic tool NTProBNP within primary care for patients with heart failure. Digipharm's platform is monitoring results, looking at outcomes improvements and payments on results.

One organisation is not going to solve the complex issues around Value-Based Health Care and value-based procurement in isolation. That is why we are excited to be involved in this collaboration and committed to investing in this project to help bring the benefits of VBHC and VBP to the NHS in Wales.

Chris Hudson  
Director of Access and Innovation  
Roche Diagnostics UK and Ireland



# Build for the future

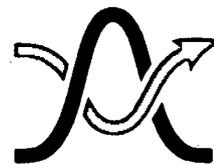
We have worked on a range of projects and opportunities that are helping deliver the system change needed to improve the health and economic wellbeing of Wales and beyond. Our work here has focussed on improving key skills, infrastructure and resources to support the development and adoption of innovation solutions, alongside maximising opportunities for Wales on a national and international scale.

## Driving recruitment for the Intensive Learning Academies (ILAs)



We delivered the launch and recruitment communications for the new ILA programme operating across Wales. Based across prestigious universities, the ILAs are helping to transform the delivery of health and social care across the globe. These world-leading academies are delivering academic courses, in addition to offering research and bespoke consultancy services to support individual organisations in the adoption and delivery of meaningful innovation across health and social care.

We provided a central information hub with recruitment and admissions details for all the services and courses being run across Swansea University, Bangor University and the University of South Wales, all in partnership with various national and global healthcare and academic organisations.



**Academiau Dysgu  
Dwys Cymru**

Intensive Learning  
Academies Wales

This included creating dedicated website pages, organising events, creating branding and promotional materials, undertaking public relations activities, and developing paid and organic social media campaigns, and evaluating the campaign.

## Putting Wales on the map through policy engagement



We have worked with government organisations including Welsh Government, Department International Relations and Trade, Industry Wales and the UK Department for Business, Energy, and Industrial Strategy.

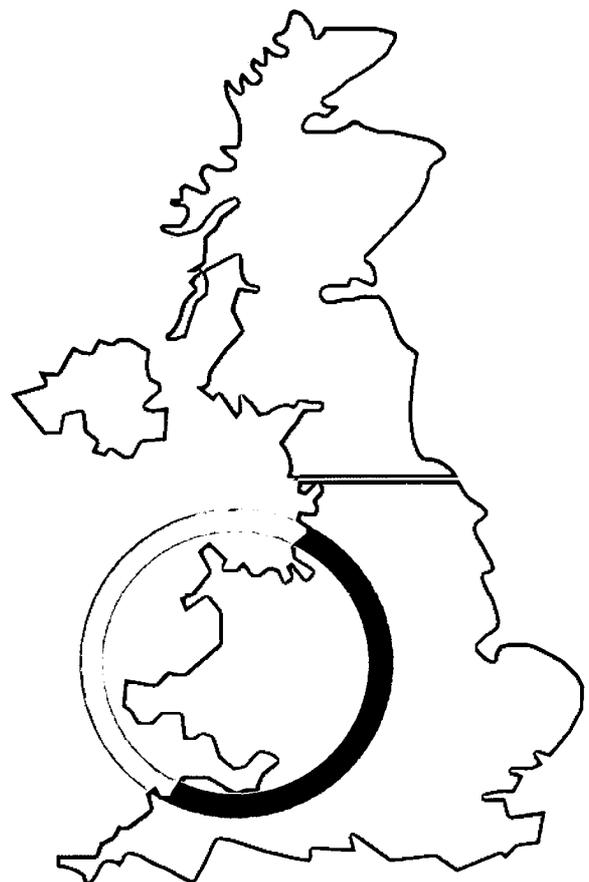
This has been to support an increase in organisations establishing a firm base in Wales that have a close link to our communities and can aid the development and resilience of our local supply chain.

## Collaborating with UK-wide healthcare innovation networks



We have developed and strengthened our collaboration with the Accelerated Access Collaborative (AAC), Academic Health Science Networks (AHSN) and other stakeholders across the UK and globally. This has been to explore how they have adapted their way of working, helping to accelerate access to treatments and services.

Further work undertaken with the AHSN network (and directly with South West, Yorkshire and Health Innovation Manchester) and AAC network to align activity; we are taking part in audit of service offering and workshops on alignment of innovation pathways.



## Creating a dedicated innovation resource



We worked with innovation leaders at the forefront of their fields, from across healthcare, social care, industry and academia to develop the Achieving Innovation resource. Hosted on our website, it featured key insights, new research and fresh perspectives – providing all sectors with the tools and information needed to make the difference. This included research pieces on the innovation landscape, a directory of innovation support organisations in Wales, and blogs from thought leaders.

To support the development of the piece, we interviewed a diverse range of innovation leader such as Miles Burrows, Managing Director (UK and Ireland) of PerkinElmer, Sue Evans, CEO of Social Care Wales, and Dr Chris Subbe, Acute, Respiratory and Critical Care Medicine Consultant and Senior Clinical Lecturer.

Life Sciences Hub Wales' 'Achieving Innovation in Health and Social Care' review resonated with our organisational perspectives on innovation. The topics explored align with what we see on the ground and even reflect how we have structured to maximise agility and innovation.

**Miles Burrows**

## Appointing three new innovation Adoption Ambassadors



Life Sciences Hub Wales has an important role to play in convening and supporting key partners to work together to drive forward the all-Wales system changes required.

**Dr. Leighton Phillips**

We appointed three senior leaders from NHS Wales as Adoption Ambassadors: Dr Mark Briggs, Assistant Director of Innovation at Cardiff and Vale University Health Board, Dr Leighton Phillips, Director for Research, Innovation and University Partnerships at Hywel Dda University Health Board and Dr Tom Powell, Head of Innovation at Cwm Taf Morgannwg University Health Board.

Each will help to strengthen relationships across Wales between health and social care professionals, academia and industry by undertaking direct engagement and supporting the building of networks.

They will provide an important bridge between local, national and international organisations delivering initiatives and work programmes, acting as advocates.



Dr Leighton Phillips,  
Director for Research,  
Innovation and  
University Partnerships  
at Hywel Dda University  
Health Board



Dr Tom Powell,  
Head of Innovation at  
Cwm Taf Morgannwg  
University Health Board



Dr Mark Briggs,  
Assistant Director of  
Innovation at Cardiff  
and Vale University  
Health Board

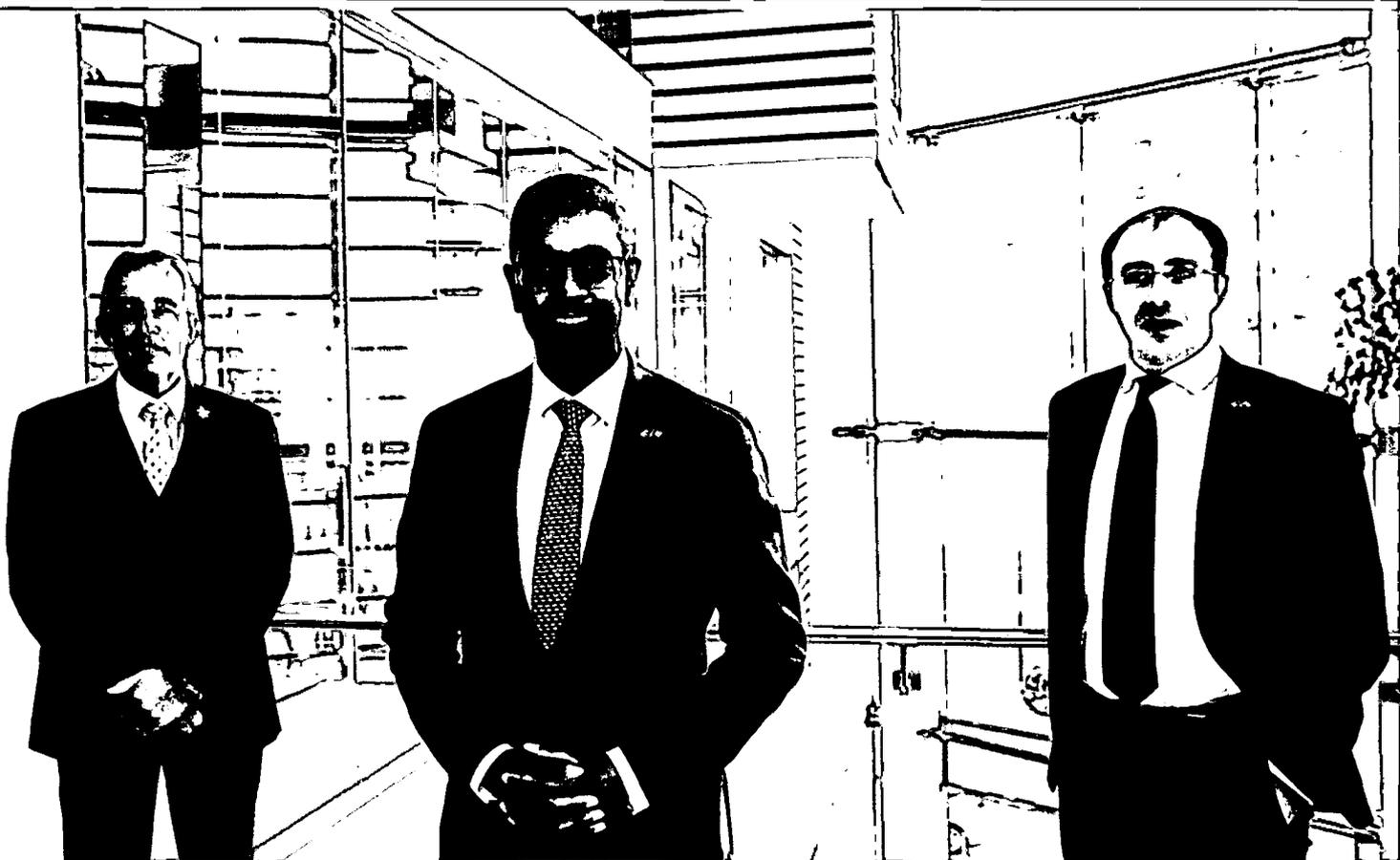
## International engagement



We have worked on a range of international engagement activities to help align Wales with the globalised life sciences and health sector. We recently supported the Welsh Minister for Economy, Vaughan Gething, host a visit of the Irish Minister of State for Trade Promotion, Robert Troy at our Cardiff office. Follow up meetings with officials from Irish Government and Enterprise Ireland will help to ensure closer collaboration between both nations.



We also co-chaired meetings between Welsh Government and Quebec Government officials, exploring how to strengthen life sciences links – exploring common areas of interest such as precision medicine and genomics for preventative healthcare.



Life Sciences Hub Wales runs the Digital Health Ecosystem Wales (DHEW) programme, which brings together industry, clinicians, policy makers, academics, innovators, and funders to create an environment of digital innovation in Wales. Our work is undertaken in partnership with Digital Health and Care Wales (DHCW), Health Technology Wales (HTW), TEC Cymru and the NHS Shared Services Partnership.

## Digital Solutions Fund support

March 2021-April 2022 has seen DHEW continue to support and coordinate the delivery of Digital Solutions Fund projects. These were pilots funded by the Welsh Government aimed at rapidly testing digital innovation in healthcare systems in Wales.

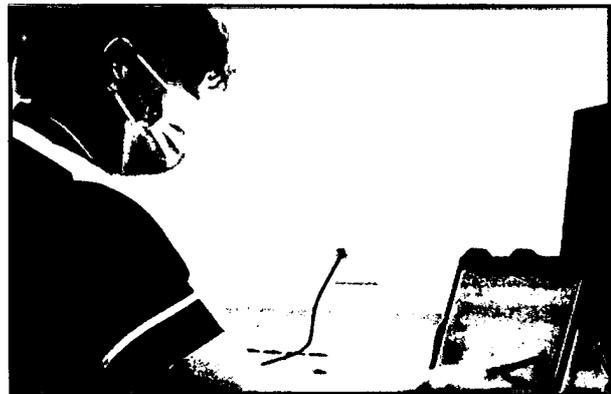
### Remote monitoring for patients with heart failure

Cwm Taf Morgannwg University Health Board, Betsi Cadwaladr University Health Board, Huma and DHEW worked together to pilot the remote monitoring of patients with heart failure across Wales using an app in their own homes.

Huma's remote monitoring technology allows patients to share important and essential clinical information with clinicians using an App on their smartphones. Patients can quickly report a key range of data to clinicians including their blood pressure, heart rate and developing symptoms to clinicians.

DHEW helped support the coordination of the project and provided communications support, creating a video case study.

Following the success of the DSF pilot, Life Science Hub Wales have secured additional funding of £47,000 from Welsh Government to assist in developing an all-Wales proposal for a remote patient monitoring tool for heart failure.



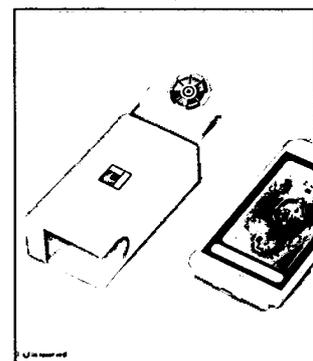
"This pilot demonstrates how technology can improve care, helping people to stay independent and free up space in hospital at the same time. Our Digital Solutions Fund is helping us to run small but rapid trials of digital technology which can improve care and improve how our clinicians can work."

Eluned Morgan,  
Health and Social Services Minister

### Launching first use of a wound care app in Wales

Global technology company Healthy.io, Swansea Bay University Health Board and DHEW worked together to launch the first use of their innovative wound care app in Wales. Wound care services account for a significant amount of NHS Wales' annual budget, costing £330million, which is 6% of its total. Improperly assessing wounds can also lead to unnecessary follow up visits and outpatient appointments, causing capacity issues and delays for patients accessing services.

Healthy.io's technology allows patients to have their wounds assessed and monitored from the comfort of their own home. DHEW provided project management and communications support, delivering launch PR activities.



### **Providing mental health support in care homes**

DHEW has supported Spirit Health and Swansea Bay University Health Board in implementing remote digital technology to support mental health care delivery.

The 6-month pilot project has deployed the ClinITouch Vie platform for remote deterioration monitoring in mental health for those living in care homes. This technology allows care home staff to log resident's responses to questions. The information, along with vital sign readings from patients, is then available for the clinicians at the in-reach nursing team, who are responsible for monitoring the care home.

Patients can therefore be reviewed remotely, assisted by a priority traffic light monitoring system and support earlier intervention methods.

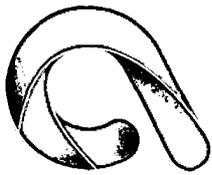
By defining the platform for specific use in a Welsh Health Board setting for mental health monitoring, it's hoped that the pilot could demonstrate effectiveness to be adopted further across Wales.

### **Evaluating the Painchek app in local authorities**

DHEW helped secure £36,000 funding to evaluate the Painchek app with Gwent and Aneurin Bevan local authority in the social care setting, with initial test site from February 2022.

Painchek is an enabled app to aid pain management in people who are non-communicative.

It uses artificial intelligence facial recognition technology to assess the presence of pain and support management and intervention without using verbal cues.



# Cyflymu Accelerate

Co-funded by the European Regional Development Fund, the Welsh European Funding Office, Welsh Government's Health and Social Services group, universities, Life Sciences Hub Wales, and the health boards, Accelerate helps innovators in Wales to translate their ideas into solutions, enabling them to be adopted in health and care. The programme offers SMEs and enterprises in Wales the opportunity to tap into academic expertise and the latest facilities needed by innovators and entrepreneurs to realise their ideas.

Life Sciences Hub Wales has oversight of the programme, working in partnership with Cardiff University (CIA), Swansea University (HTC) and University of Wales Trinity Saint David (ATiC). The programme was set to run from 2018-2022, with an extension through to December 2022.

## In 2021/22 the Accelerate programme has...



Supported over  
100 projects



Brought 96 products  
to market



Secured over £3 million  
worth of funding



Helped to create  
125 new jobs

A key part of the work by the Life Sciences Hub Wales team has been to compile sector intelligence reports for companies developing life sciences innovations. Our team has provided organisations with critical horizon scanning, market analytics, competitor reviews and funding support.

Our communications team have also provided dedicated communications support for organisations working with Accelerate – providing them with information to help their company stand out and realise their aims. This includes social media training and support and key messaging development and advice.



# Accelerate in action

## Virtual reality training for healthcare professionals

Goggleminds engaged with Accelerate programme for support in developing their virtual reality training programme for healthcare professionals – working directly with clinicians and care providers.



## Accelerating the 3D approach to cell culture

Copner Biotech uses computer modelling to create 3D scaffolds for cell design, which can better represent cells in the human body for more accurate drug testing and disease modelling. The Accelerate programme has helped them to validate this technology in a biological setting, using the expertise and facilities found at Swansea University's HTC.



## Green prescribing

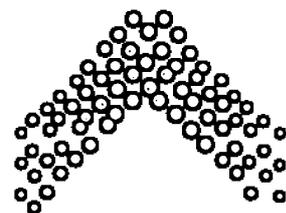
Green Prescribing presents an alternative solution to conventional prescriptions for medical treatment, in which health professionals and other social prescribers encourage individuals to take part in activities within nature. Cynon Valley Organic Adventures aims to build, evaluate and promote engagement with a resource for green social prescribing. Working in partnership with Cardiff University, they are co-producing a pollinator-friendly nature trail, featuring a Roman wellbeing garden, medicinal plants, wildflowers, and an authentic Celtic Roundhouse.



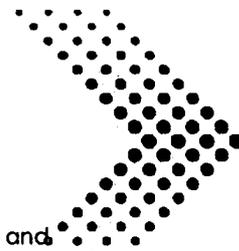
Hwb Gwyddorau Bywyd Cymru  
Life Sciences Hub Wales



# Looking ahead



# The year ahead



We have developed an ambitious plan for 2022-23 that supports the advancement of system change and innovation across an integrated health and social care system. We recognise that there are significant number of challenges that continue to impact our health and social care systems, which in turn affect the economic and health wellbeing of our nation. Our ageing population, often with co-morbidities, and the rising costs for therapies which treat them have been exacerbated by the short and long-term impact of Covid-19.

A bold and system-wide approach is needed to tackle this. Our contribution will support rebuild and recovery efforts and the achievement of improved patient benefits, societal value and economic growth. This plan forms the first year of a term of government plan for Life Sciences Hub Wales, which we are finalising in Q1 of 2022/3, which we have been developing in consultation with senior leaders from government and NHS Wales.

We have created this in the context of Welsh Government policy (Programme for Government (2021), Wellbeing of Future Generations Act (2015) and UK Government Policy (UK Life Sciences Vision (2021) to align our approach with their strategies. With prevention at its core - we will bring forward health innovations to support through four impact areas, which have been developed by listening to and working closely with partners from across health, social care and industry; understanding their requirements, the challenges they face, and the opportunities they see on the horizon.

## Prevention-based



This allows people to live healthier, longer lives by reducing the risk factors for certain conditions with high morbidity and co-morbidities, supporting early-stage intervention through more accurate, accessible and affordable diagnostics.

## Wellness system



Supporting the deepened integration of our health, care and wellbeing services. This goes beyond the current drive to joined up health and social care to create a holistic wellness system that acknowledges the clear and causal link between health and economic wellbeing for sustained transformation.

## Care closer to home



Providing care away from hospital environments and in more community-based settings adds value to patients, communities, and the environment. This can empower citizens and help maintain independence alongside improving environmental and economic efficiencies.

## Transforming secondary care



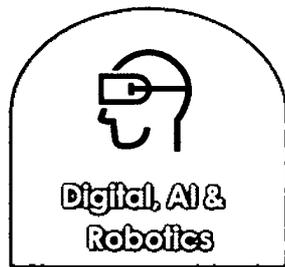
Grounded in the Prudent Healthcare approach, we will support the needs of secondary care to reconsider how and where diagnostics and treatments are delivered to reduce attendance at hospital settings.

We will work with health and social care providers to enable them to meet challenges requiring the adoption of new innovations (Pull) and with innovators and industry to further develop early-stage innovations (Push) with a view to achieving widespread adoption within Wales. This includes:

- Supporting a 'single front door' for innovators so they can understand the system
- Supporting a national approach to the accelerated adoption of innovation in Wales to
- develop and curate a national pipeline of innovation
- Encouraging a shift from pilots to adoption and spread for clinicians and patients to access
- new innovations at pace and scale
- Building partnerships by coordinating, developing & maintaining networks with the health innovation system, industry, health & social care providers, academia, professional bodies and support agencies
- Driving local delivery by offering a coordinated approach to collating and capturing innovation, assessments and evaluation, avoiding duplication of effort to deliver efficiency savings and more focused investment.

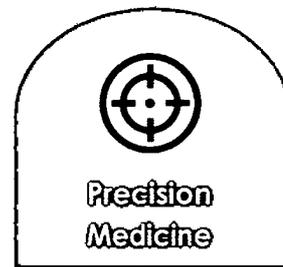
**With a core of primary and secondary prevention, we will deliver projects focused on our thematic priorities, which have been refined to reflect the need of health, social care and industry.**

# Thematic priorities



## Digital, Artificial Intelligence & Robotics

Our projects will focus on digital health care with key areas being artificial intelligence, data access and standards, digital and robotics. We have built a profile as a support service for digital products, companies, projects and activity and will continue in this role, engaging with social care networks to better understand healthy ageing issues better, working with front-line staff to understand barriers and being involved in stakeholder meetings.



## Precision Medicine

Disease diagnosis at advanced stages, results in lower survival rates, increased morbidities, and significantly increased healthcare costs. Personalised approaches to care that are tailored to disease sub-types and patients' genetic profile can help to address this. We will focus on early diagnostics, genomics and advanced therapies to help deliver this on impact.



# Key performance indicators

## 2021/2022

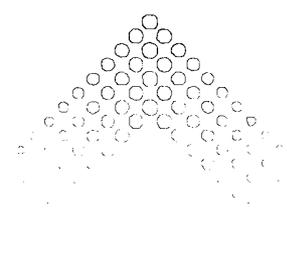
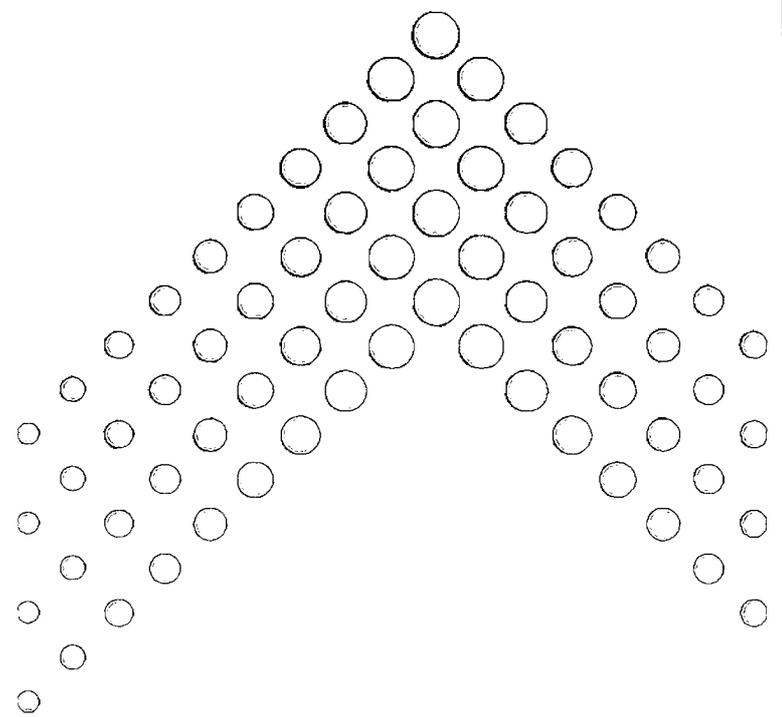
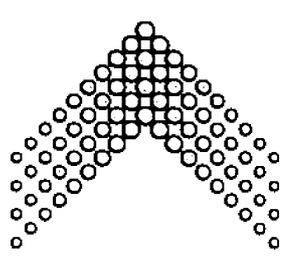
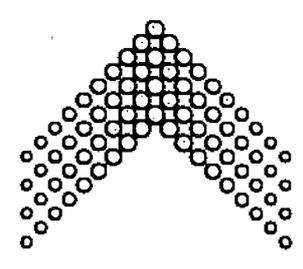
We were delighted to end the year in March 2022 having managed to achieve and exceed all our primary metrics. These excellent results reflect the input and activities from right across the organisation working collaboratively with stakeholders.

	2021/2022	Target	Achieved
	Organisations Supported	150	319
	Jobs Assisted	51	330
	Increased GVA	£2,800,000	£18,150,000
	Value of contracts awarded	£1,000,000	£17,882,000
	Investment induced	£1,500,000	£38,676,000
	Adoption ready proposals	25	26
	Funding proposals supported	29	17
	Value of funding Proposals	£10,000,000	£20,014,098

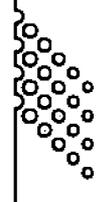
## 2022/2023

Our Remit Letter for 2022-23 at the end of April 2022 confirmed our KPI targets and budget allocation and also further expanded our remit to include positively representing our health and life sciences interests through purposeful engagement with UK Government and its agents, that leads to benefit for Wales.

	2022/2023	Target
	Organisations supported	205
	Jobs assisted	180
	Increased GVA	£9,900,000
	Value of contracts awarded	£2,400,000
	Investment induced	£4,900,000
	Adoption ready proposals	37
	Funding proposals supported	29
	Value of funding proposals	£13,600,000



# Governance & Accountability



## The Board

### Board Members



**Dr Chris Marlin BPharm (Hons)**  
FRPharms DLitt  
Chair



**Victoria Bates**  
Non-Executive Director



**Professor Sir Mansel Aylward CB**  
Non-Executive Director



**Erica Cassin**  
Non-Executive Director



**Rupert Jones**  
Non-Executive Director



**Cath O'Brien MBE**  
Non-Executive Director



**Peter Max**  
Non-Executive Director



**Len Richards**  
Non-Executive Director



**Jared Evans**  
Non-Executive Director



**Professor Hamish Laing**  
Non-Executive Director

## Executive Team

### Executive Team



**Carl-Anne Quinn**  
Chief Executive Officer



**Gemma Bafico**  
Operations Director



**Rhodri Griffiths**  
Innovation Adoption Director



**Andrew Cooper**  
Communications Director

# Governance & Accountability

## Governance and Accountability Report

This section sets out how Life Sciences Hub Wales' (LSHW) governance and risk management framework supports the achievement of the Company's aims and objectives.

We outline how Life Sciences Hub Wales is managed, the role and constitution of the Board of Directors and its two sub-committees, the assurance and accountability arrangements, and the risks the Company is exposed to and how these are managed. We also describe the ongoing work to continuously improve the governance system and processes.

These governance processes also ensure that the annual report and financial statements, when taken as a whole, provide a fair and balanced reflection of LSHW's governance arrangements and how these support the Company's business model, strategy and performance (detailed in the Strategic Report on pages 4-27).

This section comprises the following reports/statements:

- Directors' Report – this sets out the membership of the Board, Board member responsibilities and includes various statutory performance disclosures required by the Companies Act 2006. It also lists the responsibilities of the Directors in the preparation of the annual report and financial statements, as well as providing an overview of the key risks that LSHW is exposed to and the risk management system in place (pages 30-35).
- The Corporate Governance Statement – this discloses LSHW's governance framework, the activities of the Board of Directors and includes annual (summary) reports of the Board's two sub-committees. This statement also makes disclosures as required by Managing Welsh Public Money (pages 36-41).
- The Independent Auditor's Report - this provides an overview of the outcome of the annual audit undertaken by LSHW's external auditors, Audit Wales (to be completed) (pages 42-44).

### 1. Director's Report

The Directors present their annual report together with the audited financial statements and independent auditor's report for Life Sciences Hub Wales Limited (LSHW) for the year ended 31 March 2022.

The following information required by the Companies Act 2006 can be found in the following section of the annual report.

- Details of LSHW's objectives, future developments and significant events since the balance sheet date are included in Strategic Report (pages 4-27).
- LSHW's risk management disclosures are set out on pages 32-34.
- Information about the use of financial instruments by LSHW is given in note 19 to the financial statements. LSHW's capital structure is discussed in the financial statements.

#### 1.1 Dividends

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

#### 1.2 Directors

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

- Professor Sir M Aylward CB\*
- Mr C Martin \*
- Mr J Evans \*
- Mr R P Jones \*
- Ms C O'Brien \*
- Mr P Max +
- Mr L Richards +
- Ms E Cassin +
- Ms V Bates +
- Professor H Laing +

As LSHW is an Arms-Length Body of Welsh Government, all (Non-Executive) Directors are appointed by the Minister for Health and Social Services. At the start of the financial year five directors (reference \*) in post had been in position since their appointment on 9 October 2017. In September 2020, the Minister re-appointed these Directors for a second, three-year term of office including the Chair.

Five Directors (reference +) were successfully appointed by the Minister to fill vacancies following a public appointments process. These Directors were appointed from 1 January 2021, for a three-year term.

### **1.3 Responsibilities of the Directors**

The following should be read in conjunction with the responsibilities of the external auditor as set out in their report on page 42.

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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 Company's state of affairs and of its profit or loss for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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.

### **1.4 Directors' responsibilities in respect of accounting records and internal control**

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain LSHW's transactions, 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 LSHW and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. An internal audit undertaken in 2021/22 concluded that LSHW's Counter-Fraud arrangements were robust a "substantial assurance" rating was provided.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the Directors, whose names are listed on page 30 of the annual report and financial statements, confirms that to the best of their knowledge:

- The financial statements, which have been prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit of LSHW;
- The annual report includes a fair review of the development and performance of the business and the position of LSHW, together with a description of the principal risks and uncertainties it faces; and
- The annual report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for LSHW's shareholders to assess the Company's position, performance, business model and strategy.

### **1.5 Going concern and events after the reporting year end**

In adopting the going concern basis for preparing the Financial Statements, the Directors have considered the business activities as well as LSHW's principal risks and uncertainties, as set out in the Company's Board Assurance Framework and Corporate Risk Register.

Formal confirmation of Welsh Government's support to LSHW to end of March 2023 was received on 25 April 2022 and the Board is content to conclude for the Company to adopt the going concern basis in the preparation of the annual reports and accounts.

#### **1.6 Events since the end of the year**

Information relating to events since the end of the period is given further in the report and in the notes to the financial statements.

#### **1.7 Non-current assets**

Details of non-current assets, being fixtures and fittings are shown in Note 11 to the financial statements. Details of intangible assets are shown in Note 12.

#### **1.8 Risk Management**

Our overall aim is to make effective risk management an integral part of LSHW's culture. LSHW is committed to a proactive approach to risk management. It recognises the value of maintaining an effective risk management culture, seeking to identify, analyse, manage and control the risks it faces.

The environment in which LSHW operated has changed significantly from March 2020. Despite the impact of the Covid-19 pandemic, robust risk management and strong governance has continued."

Accountability for the management of risks relating to the operations of the Company lies with the Board of Directors, including: evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives and maintaining sound and effective risk management and internal controls.

The Chief Executive, as Accounting Officer, has responsibility for reviewing the effectiveness of the system of internal control. This is informed by the work of appointed internal auditors and the management of LSHW who have responsibility for the development and maintenance of the internal control framework, together with comments and recommendations made by the external auditors in their management letter and internal auditors in their reports.

LSHW has in place management structures, policies and procedures designed to enable the achievement of these objectives, while managing the risks associated with the environment in which it operates. These are reviewed regularly.

Work has been undertaken during 2021/22 to further improve LSHW's risk and assurance system. Building on developments in 2020/21, a revised Risk Management Policy (and supporting procedure) was finalised. This fully incorporated LSHW's Board Assurance Framework (BAF), the model of which was revised to position it as a key conduit for the Company's integrated risk and assurance system (of internal control) and a practical tool to inform board and committee agenda. As part of this process, LSHW's strategic risks were revised in alignment with strategic business planning. Following engagement with the LSHW Board, the Risk Management Policy, the BAF (and the Company's revised strategic risks) were approved by the Audit and Risk Assurance Committee on 11 November 2021.

A further element of strengthening LSHW's risk and assurance system was the Board's articulation of its risk appetite. Detailed conversations were held through engagement with the Board, which set its appetite against a number of identified risk domains. The statement is intended as a guide for risk owners to inform how they manage their risk, with target risk scores for each type of risk being set. The first Annual Risk Appetite Statement was approved by the Audit and Risk Assurance Committee on 11 November 2021.

Work is ongoing to further integrate the new policy, BAF and risk appetite statement across the business operations of the Company. Risk training will continue to be delivered to ensure consistency of approach, strengthened incorporation in decision-making and programme and project management as part of the maturity of an active risk management culture.

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

The principal strategic risks are identified on the BAF, with the assurances on the effectiveness of the controls mapped accordingly. Corporate Risks are identified on the Corporate Risk Register which is continually monitored by the Senior Leadership Team and received at each meeting of the Audit and Risk Assurance Committee, and the Board of Directors on a bi-annual basis.

The principal strategic risks are identified on the Board Assurance Framework. These are:

<b>Insufficient Resources</b>	The risk that financial and non-financial resources will be insufficient to deliver the Company's strategic objectives. This will be caused by the failure to recruit people, with the requisite skills, to fill vacancies and reduced funding. The impact will be failure to deliver agreed business plans and meet Key Performance Indicators.
<b>Meeting Expectations</b>	The risk that the outcomes of the Company's business activities (e.g. programmes and projects) will not meet the expectations of stakeholders. This will be caused by a mis-alignment with the aims and objectives of stakeholders across the health and care system, within the limitations of available resources. The impact of this will be failure to affect systemic change.
<b>Benefits Realisation</b>	The risk that benefits from solutions adopted are not realisable within an appropriate timeframe. This will be caused by a lack of evidence of the longitudinal outcomes of the projects, programmes and solutions supported (and led) by the Company. The impact of this will be LSHW's ability to demonstrate its value to stakeholders, Value for Money (VfM) to Welsh Government and evidence the impact of change for the health and care sector.
<b>Governance and Compliance Failure</b>	The risk that governance systems and processes will not enable effective and efficient business operations. This will be caused by out-of-date policies and procedures, gaps in the system of internal control and business processes, and employee failure to comply. The impact of this would be a failure to actively enable the delivery of strategic objectives, poor financial stewardship or failure to comply with statutory, regulatory and legislative requirements.
<b>System Maturity</b>	The risk that the Company will not be able to facilitate impactful change across health and social care, as set out in its strategic business plans. This will be caused by the maturity of the system and a lack of cohesion and coordination in life sciences / innovation in Wales. The impact of this will be failure to deliver the organisation's strategic aims and a lack of sector intelligence to inform innovation adoption.
<b>Insufficient external resource / partnership failure</b>	The risk that the Company's partners and stakeholders across the health and care system may not be able to adopt innovation. This will be caused by partners and stakeholders having insufficient external resources or capacity. The impact of this will be the failure of partnerships and initiatives and the achievement of LSHW's strategic objectives.
<b>Failure to build influencing role</b>	The risk that the Company will not develop a sufficient level of systemic influence to shape and support the innovation agenda across health and care in Wales. This will be caused by the lack of a successful track record in delivering innovation projects with significant impact and limited engagement and communication. The impact of this will be the failure to deliver the organisation's strategic objectives.

The organisation continues to maintain a corporate and operational risk register in line with the LSHW risk architecture. These registers are regularly scrutinised and updated, with assurance provided through both the BAF and board/committee reporting.

### 1.10 Financial Risk Management Objectives and Policies

The main financial risks for LSHW are cash flow management and budgeting. For both, LSHW works closely with the Welsh Government to ensure it maintains a healthy cash balance and exerts strong budgetary control as per requirements of the Framework Document with Welsh Government. The LSHW Financial Regulations provide the operating parameters for financial management. An internal audit review of compliance with the Regulations concluded that robust arrangements were in place and a "substantial assurance" rating was provided.

With regards to cashflow management, there is no significant credit risk and the Company maintains a healthy cash balance. At the end of the financial year, with assurances in place from Welsh Government LSHW held a positive cash balance of £3.5m and therefore, credit, liquidity and cashflow risks are not considered to be a material risk to the Company.

An internal audit review of LSHW's budgetary control and financial management in 2021/22 was awarded a "substantial assurance" rating.

### 1.11 Financial Performance for the Year

The results for the year are shown on page 45 onwards.

LSHW's financial statements currently show that the Company has reserves of £12k.

Performance against remit is monitored by the Welsh Government and the Company provides regular reports to the Welsh Government to assist in this monitoring process. LSHW is required to manage its financial performance within the budget that has been agreed with the Welsh Government, further details of this are set out in the annually agreed Remit Letter and Framework Document.

The Framework Document allows LSHW to carry over from one year to the next any drawn but unspent cash balances of up to 2% of the agreed total gross annual budget (as set out in the Remit Letter and being exclusive of income deemed to be private funds). Any proposal to carry over sums in excess of this amount is required to be agreed with the Welsh Government.

The table below shows the position for the 2021/22 financial year:

Agreed total gross budget	£3.5m
Allowable carry-over 2%	£70k
Cash & cash equivalents at 31 March 2022	£3.5m
Current assets - trade and other receivables at 31 March 2022	£2.9k
Current liabilities - trade and other payables at 31 March 2022	£6.4k
Unspent cash balance as at 31 March 2022	£29k

Note: Assets and Liabilities does not include the Accelerate Programme figures.

### 1.12 Excess to be paid back to Welsh Government

The 2021/22 allowable cash carry over (£70k) is calculated as 2% of the budget granted.

After calculating the cash held at the end of 2021/22, considering cash balances, assets and liabilities, LSHW held a positive cash balance of £29k and is therefore compliant with the Welsh Government allowable cash carry over limit of £70k.

Throughout the year, management and Welsh Government have continued to monitor the required level of funding and Welsh Government has made in year adjustments to the level of funding where necessary. LSHW accordingly utilised surplus reserves in the delivery of services to regularise the reserves and cash balances held by the end of 31 March 2022, thereby achieving a break-even position for the year ended 31 March 2022.

The Business Plan for 2022/23 and Remit Letter outlining the operational and financial plans for the year have been approved by the Welsh Government. Adequate income has been secured to meet the budget expenditure for the year.

### **1.13 Company Performance**

2021/22 was a successful period for LSHW, which has continued to consolidate its position as the lead facilitator for the development and adoption of innovation in healthcare across Wales. This was within the challenging context of the sector's recovery from the coronavirus pandemic.

The Company has tracked its progress against its agreed key performance indicators and reported this to Welsh Government on a quarterly basis.

Further details of LSHW's performance is provided in the Strategic Report (pages 4-27).

### **1.14 Equality and Diversity**

LSHW is committed to promoting equality of opportunity for all employees and job applicants. It is committed to creating a working environment in which all individuals are able to make best use of their skills, are free from discrimination or harassment, and in which all decisions are based on merit.

LSHW does not discriminate against employees on the basis of age, disability, gender reassignment, marital or civil partner status, pregnancy or maternity, race, colour, nationality, ethnic or national origin, religion or belief, sex or sexual orientation. LSHW has a comprehensive Equality and Diversity Policy and all our team members are provided with Equality and Diversity (E&D) training.

Ensuring that we attract and retain the widest and most diverse range of talent in the Company's employees is vital to developing a dynamic and creative environment which will benefit all stakeholders and ultimately the people of Wales. Recruiting line managers are provided with additional E&D training, and all job opportunities are advertised through multiple channels to maximise market reach.

The principles of non-discrimination and equality of opportunity also apply to the way in which LSHW treats visitors, job applicants, clients, customers, and suppliers. This applies in the workplace, outside the workplace (when dealing with customers, suppliers or other work-related contacts, and on work-related trips or events including social events).

All employees have a duty to act in accordance with our Equality and Diversity Policy and treat colleagues with dignity at all times, and not to discriminate against or harass other employees, regardless of their status.

### **1.15 Supplier Payment Policy**

LSHW is committed to the prompt settlement of invoices and other claims for payments. In the case of goods and services where the supply has been satisfactorily completed, LSHW's objective is to pay within 30 days of receipt of the invoice.

### **1.16 Environment and Sustainability**

LSHW acknowledges a responsibility for, and a commitment to, protection of the environment at all levels. We are privileged to occupy an energy efficient office in Cardiff. LSHW strives to ensure that we follow best practice throughout the business operation across all locations. LSHW submitted an environmental return to Welsh Government in 2022, which set out the carbon footprint of the organisation as well as other environmental impacts.

In line with the Well-being of Future Generations (Wales) Act 2015, LSHW is committed to sustainable development and the seven interconnected well-being goals. Work has been ongoing during 2021/22 to more firmly embed the Act, its principles and ways of working into the organisation. This has included the development of LSHW's first well-being statement and objectives, which are aligned with the strategic priorities. The Act will also be integrated into the long-term strategic plan, as a key legislative driver. The Act is also being considered as policies are being developed, including the development of a new Environmental Policy; which will be finalised in 2022. Environmental and sustainability elements will also be considered as part of LSHW's re-assessment of its physical resources requirements (including the business premises) in 2022/23.

## 2. Annual Corporate Governance Statement

Corporate Governance is the system by which organisations are directed and controlled.

The Governance Statement below brings together in one place all disclosures about matters relating to LSHW's governance risk and control. As Accounting Officer, I am personally responsible for the Corporate Governance Statement which outlines how I have discharged my responsibility in managing and controlling the resources of the Company throughout the year.

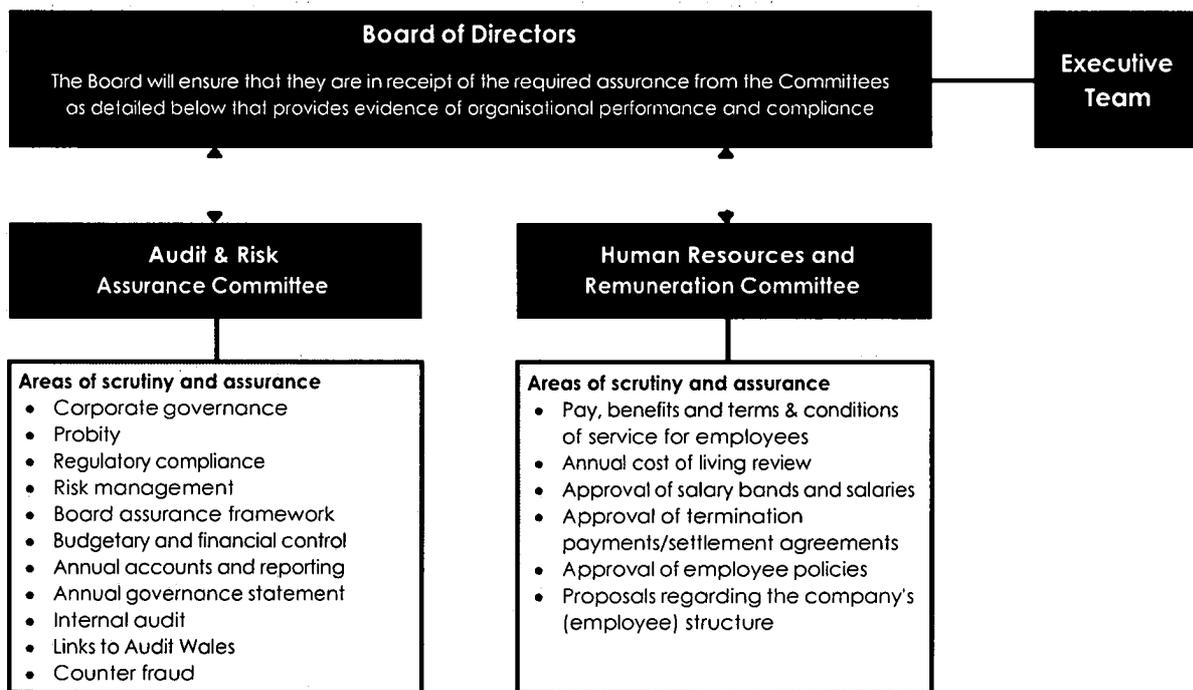
### 2.1 The Board of Directors

The Board of Directors is responsible for the governance of LSHW and compliance with the UK Corporate Governance Code. The Board's role is to satisfy itself that an appropriate governance structure is in place and to ensure that through the Chief Executive Officer, the Company operates within the policy framework set by the Welsh Government. It also has responsibility for the strategic direction, organisational culture and the successful delivery of the Company's aims and objectives.

The Board has established two standing Board Committees, chaired by Non-Executive Directors, that have key roles in relation to the system of governance and assurance, decision-making, scrutiny, development discussions, an assessment of current risks and performance monitoring.

Figure 1 details the relationship between the Board and its committees, together with the Senior Leadership (Executive) Team.

**Figure 1 Overview of Governance Framework**



For the year ended 31 March 2022, the Board comprised ten Directors appointed by the Minister of Health and Social Services. The Chair is a remunerated position, as are the positions of each Director. The Board met seven times during the financial year. During the year, the Board's area of focus included:

- the Company's performance against the 2021/22 Business Plan;
- the development of the Company's Annual and Term of Government Plans;
- business activity undertaken within the Impact Areas and two programmes (Accelerate and Digital Health Ecosystem Wales);
- consideration and approval of the LSHW Business Plan for 2022/23;
- the business continuity of the Company during recovery from the Covid-19 pandemic (and related employee welfare issues).

The Board maintained its oversight of company finance and received the Management Accounts and Report at each meeting.

### 2.1.1 Life Sciences Hub Wales Chair

During the year the Chair, Professor Sir Mansel Aylward CB, was unwell and arrangements were made for Dr Chris Martin, Deputy Chair, to undertake this role in an (interim) acting capacity. Following consultation with the sponsor branch in the Health and Social Services Group, Welsh Government, it was agreed that Sir Mansel would step down from his role as Chair. He was succeeded by Dr Martin on 4 August 2021. Sir Mansel remained a non-executive director on the Board until 31 March 2022.

### 2.1.2 Board Development and Effectiveness

In accordance with the good governance principle of continuous improvement, the Board is committed to reflecting on its effectiveness. The Board undertook six scheduled board development sessions in 2021/22 to discuss strategic issues in line with a Board Development Plan which was approved for by the Board at its meeting on 31 March 2021. This plan ensured that the Board contributed to the Company's strategic planning and development, considered risk management and appetite, and stakeholder engagement, Members also received training and awareness sessions aligned with its role and responsibilities, including cyber resilience and Welsh Language. This also included consideration of how the Company could embed the Well-being of Future Generations (Wales) Act into its activities and working approaches. This plan was adapted throughout the year to ensure that the Board considered current issues at opportune points.

### 2.1.3 Board and Committee effectiveness

The Board (and each committee) undertook a comprehensive self-assessment of its effectiveness. This included consideration of its administrative processes, the information it receives, the skills and development needs of its members and its compliance with its Framework document and Terms of Reference. This exercise was undertaken towards the end of the financial year, the results of which were discussed and enabled improvement actions to be identified. The committee self-assessments also informed the review of their respective terms of reference and workplans.

### 2.1.4 Board Interests

A register of director and Senior Leadership Team interests is maintained to ensure that potential conflicts of interest are identified. Board and Committee members are asked to disclose conflicts as a standard agenda item for all formal meetings.

This is in line with the Company's policy and procedure for the management of conflict and declarations of interests, gifts, hospitality and sponsorship.

## 2.2 Audit and Risk Assurance Committee

The Committee comprised three Directors who met five times in the financial year. The Internal Auditor (TIAA appointed June 2019) and External Auditors (Audit Wales appointed by Welsh Government) attend all meetings of the Committee.

The Committee discharges its responsibilities over issues of risk management, internal control, internal audit, statutory audit of consolidated financial statements and wider governance of LSHW through its terms of reference. These were reviewed and approved by the Committee in February 2022, for the 2022/23 financial year. This approval was ratified by the Board on 30 March 2022.

During the year, the Committee's area of focus included:

- reviewing risk management arrangements and key risks. This included the consideration and approval of a revised risk management policy and procedure, a new model for the Board Assurance Framework and the first statement of risk appetite.
- reviewing and actioning governing policies and procedures.
- receiving the reports of the Internal and External Auditors.
- programme and project management arrangements (outcomes of internal audit).
- business continuity and cyber resilience (and incident response arrangements).

For further details regarding LSHW's risk and assurance system and risk profile, see the Director's Report, pages 30-35.

**23 Human Resource and Remuneration Committee**  
 The Committee comprised four Directors who met four times in the financial year. The Committee ensures a focus on LSH's commitment to the well-being and the importance of recruitment, retention and development of employees. During the year the Committee's area of focus included:

- ensuring appropriate employment policies are adopted and adhered to.
- considering and reviewing key employee policies and benefits.
- ensuring appropriate pay and benefit awards.
- the development of a remuneration strategy.

The Committee reviewed and approved its Terms of Reference for the 2022/23 reporting year at its meeting on 9 March 2022 (ratified by the Board on 30 March 2022).

**24 Board and Committee attendance**  
 The Directors' attendance at the Board and Committee meetings is shown in the table below. The Chief Executive Officer was in attendance at all meetings of the Board and its sub-committees.

Board of Directors	28 May 2021	26 Jul 2021	29 Sep 2021	24 Nov 2021	15 Dec 2021	26 Jan 2022	31 Mar 2022
Prof Sir Michael Ayward CB (Chair) <sup>1</sup>	N	N	N	N	N	N	N
Dr Chris Martin (Chair) <sup>2</sup>	Y	Y	Y	Y	Y	Y	Y
Mr Jarrod Evans	N	N	Y	Y	Y	Y	N
Ms Catherine O'Brien	Y	Y	N	Y	Y	Y	Y
Mr Rupert Jones	Y	Y	Y	Y	Y	Y	N
Mr Peter Max	Y	Y	Y	Y	Y	Y	Y
Prof Hemish Loring	Y	Y	Y	Y	Y	Y	Y
Ms Victoria Bates	Y	Y	Y	Y	Y	Y	Y
Ms Erica Cassin	Y	Y	Y	Y	Y	Y	Y
Mr Len Richards	Y	Y	Y	Y	Y	Y	Y

Audit and Risk Assurance Committee	28 Apr 2021	27 Jul 2021	11 Nov 2021	15 Dec 2021	26 Jan 2022
Mr Peter Max (Chair)	Y	Y	Y	Y	Y
Ms Catherine O'Brien	Y	Y	Y	Y	Y
Mr Rupert Jones	Y	Y	Y	Y	Y

Human Resource and Remuneration Committee	1 Jul 2021	15 Dec 2021	26 Jan 2022	9 Mar 2022
Ms Erica Cassin (Chair)	Y	Y	Y	Y
Dr Chris Marŷn	Y	Y	Y	Y
Mr Rupert Jones	Y	Y	Y	Y
Ms Catherine O'Brien	N	Y	Y	Y

Note: The HRRC is called on an ad hoc basis when required. From 2022/23 meetings will be held at a planned frequency on a quarterly basis.

## 2.5 The Senior Leadership Team

The Senior Leadership Team (SLT) was led by the Chief Executive, Ms Cari-Anne Quinn, who was appointed in October 2018.

The Chief Executive and Board meet regularly to discuss and agree corporate and operational matters as full responsibility for the operation of LSHW is delegated to the Chief Executive by the Board. LSHW reports its performance to Welsh Government as per management framework and remit.

During the year, the SLT comprised the Chief Executive, the Innovation Adoption Director, Communications Director and Operations Director. The SLT, which meets on a weekly basis, is responsible for the day-to-day running of LSHW in line with the agreed strategy and reports and makes recommendations to the Board.

The Chief Executive and the Board of Directors is supported in the organisation's governance by the Head of Corporate Governance, Risk and Compliance.

## 2.6 UK Corporate Governance Code

LSHW is required to comply with the UK Corporate Governance Code. The information provided in this corporate governance statement provides an assessment of how LSHW complies with the main principles of the Code as they relate to an Arms Length Body in Wales. It should be noted that not all reporting elements of the Code are outlined in this governance statement but are reported more fully in the wider Annual Report. There have been no reported departures from the Corporate Governance Code.

## 2.7 Quality of Data

The Board felt that the information it and its key committees received generally supports scrutiny and assurance. Assurances against strategic risks are also mapped and monitored through the Board Assurance Framework. Indeed, in its annual self-assessment the Board (and its committees) has noted that board and committee reporting and administration has been strengthened during 2021/22. The Board and committees reflect on the quality of the data and information received at the conclusion of each meeting, as part of the ongoing maintenance of its effectiveness.

## 2.8 Information Governance and Data Security

LSHW has well established arrangements for information governance, which includes considerations of data protection and information security (including the current cyber security landscape) to ensure that information is processed in line with relevant information governance law, regulations and Information Commissioner's Office (ICO) guidance. The Audit and Risk Assurance Committee provides oversight, advice and assurance to the Board with regard to information governance issues. An internal audit review of data protection provided a "substantial assurance" rating.

The Senior Information Risk Office (SIRO) for 2021/22 was the Chair, Dr Chris Martin. The role of the SIRO is that of the advocate for information risk on the Board. The SIRO is responsible for setting up an accountability framework within the organisations to achieve a consistent and comprehensive approach to information risk assessment. Information governance incidents and 'near misses' are reported through the organisation's incident management system.

Any serious incidents are reported fully to the SIRO and full Root Cause Analysis investigations are undertaken, the result of which are presented to the Operations Director and CEO (as appropriate) who ensure that the SIRO is made aware of conclusion of the investigation. We did not report any data security lapses to the ICO during 2021/22.

### **2.9 Freedom of Information Requests**

The Freedom of Information Act (FOIA) 2000 gives the public right of access to a variety of records and information held by public bodies and provides commitment to greater openness and transparency in the public sector. LSHW developed and introduced a new Freedom of Information Policy, which was approved by the Audit and Risk Assurance Committee on 11 November 2021. LSHW also proactively publishes key classes of information via its Publication Scheme, in accordance with the model set out by the Information Commissioner's Office. An internal audit review of the arrangements provided a "substantial assurance" rating.

LSHW received two FOI requests in 2021/22. The first, in July 2021, was in relation to a procurement process for the awarding of a contract to a supplier. A response was provided, with exemptions applied accordingly. The second request was transferred to another public body as LSHW did not hold the information requested.

### **2.10 Whistleblowing Procedures**

LSHW communicates with and reminds all employees with regard to whistleblowing, and a Whistleblowing Policy is in place. Training is provided through the induction process, on an annual basis through the Company's online training provision and periodically discussed in staff meetings.

There have not been any instances of whistleblowing to report for 2021/22.

### **2.11 Health and Safety**

LSHW has a robust Occupational Health and Safety (OHS) Management System which includes health and safety policies and processes, systems, training, and records, and considers health and safety considerations in business processes. Health and safety risks are identified and managed through the Risk Management System and risk assessments are undertaken and reviewed as appropriate.

The Chief Executive Officer has overall responsibility for the management of health and safety. Health and Safety is a standing item on Senior Leadership Team and Senior Management Team meeting agenda. The Office Manager has day-to-day management responsibility and holds health and safety qualifications. Compliance activity is also monitored by the Governance function.

During 2021/22, ongoing health and safety risks in relation to the Covid-19 pandemic have been managed and monitored on the Corporate and Operational Risk Registers, as well as the Board Assurance Framework. A comprehensive risk assessment and action plan has also been maintained since March 2020. Safety measures have been in place to minimise the spread of coronavirus in the workplace, through social distancing, increased hygiene procedures and remote working. These measures have been adapted throughout the pandemic, in line with public health advice and guidance issued to employees on a regular basis.

The Board and the Human Resources and Remuneration Committee receive assurance on the OHS via operational and performance reporting. Assurance reporting will be strengthened in 2022/23 through the provision of a quarterly health and safety report to the Audit and Risk Assurance Committee. This will be introduced in response to a recommendation from an internal audit in 2021/22, which provided an overall "substantial assurance" rating.

### **2.12 Conclusion**

I am satisfied that, for the year ended 31 March 2022, a proportionate and robust governance framework and system of internal controls has been in place. They supported the achievement of the Life Sciences Hub Wales's aims and objectives; facilitated effective exercise of the Company's functions and safeguarded public funds and assets for which the Accounting Officer is personally responsible. These matters of governance and control are in accordance with the responsibilities in the Framework Document issued to us by the Welsh Government.



**Cari-Anne Quinn**  
**Chief Executive Officer**  
**Life Sciences Hub Wales Limited**

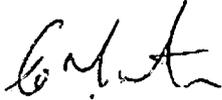
**Auditor**

The Auditor General for Wales is the Company's statutory external auditor appointed by Welsh Government.

**Statement of disclosure to auditor**

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

On behalf of the board:



**Chris Martin**  
**Chair**

Date: 27 July 2022

# Independent auditor's report to the member of Life Sciences Hub Wales Limited

## Opinion on financial statements

I have audited the financial statements of Life Sciences Hub Wales Limited for the year ended 2021-22 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006. In my opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Opinion on regularity

In my opinion, in all material respects, the expenditure and income in the financial statements have been applied to the purposes intended by the Senedd and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## Basis of opinions

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the company in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

## Conclusions relating to going concern

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

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

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

## Other Information

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

I have nothing to report in this regard.

## Report on other requirements

### Opinion on other matters prescribed by the Companies Act 2006

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

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

#### **Matters on which I report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, I have not identified material misstatements in the strategic report or the directors' report.

I have nothing to report in respect of the following matters where the Companies Act 2006 requires me to report to you, if, in my opinion:

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

#### **Responsibilities**

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

As explained more fully in the statement of directors' responsibilities the directors are responsible for the preparation of the financial statements 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 deemed inappropriate.

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

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

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

My procedures included the following:

- Enquiring of management, the company's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Life Science's Hub Wales Limited's policies and procedures concerned with:
  - 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 have 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.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition and posting of unusual journals; and
- Obtaining an understanding of Life Science's Hub Wales Limited's framework of authority as well as other legal and regulatory frameworks that Life Science's Hub Wales Limited operates in, focusing on those laws

and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Life Science's Hub Wales Limited;

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the directors; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Life Science's Hub Wales Limited's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

#### **Responsibilities for regularity**

The directors are responsible for ensuring the regularity of financial transactions.

I am responsible for expressing an opinion on whether the expenditure and income have been applied to the purposes intended by the Senedd and the financial transactions conform to the authorities which govern them.

#### **Report**

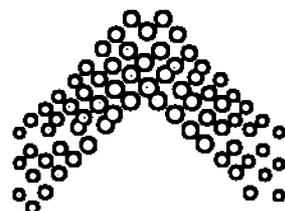
I have no observations to make on these financial statements.



Adrian Crompton  
Auditor General for Wales  
1 August 2022

24 Cathedral Road  
Cardiff  
CF11 9LJ

# Financial accounts



**LIFE SCIENCES HUB WALES LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	2022 £	2021 £
Revenue	4	6,605,500	5,834,478
Gross profit		6,605,500	5,834,478
Other operating income		-	1,464
Administrative expenses	5	(6,578,667)	(5,795,795)
Operating profit	6	26,833	40,147
Finance costs	9	(26,833)	(40,071)
Profit before taxation		-	76
Income tax expense	10	-	-
Profit and total comprehensive income for the year	19	-	76

The income statement has been prepared on the basis that all operations are continuing operations.

# LIFE SCIENCES HUB WALES LIMITED

## STATEMENT OF CHANGES IN EQUITY

*FOR THE YEAR ENDED 31 MARCH 2022*

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	<b>Retained earnings £</b>
<b>Balance at 1 April 2020</b>	12,183
<b>Year ended 31 March 2021:</b>	
Profit and total comprehensive income for the year	76
<b>Balance at 31 March 2021</b>	<u>12,259</u>
<b>Year ended 31 March 2022:</b>	
<b>Balance at 31 March 2022</b>	<u><u>12,259</u></u>

# LIFE SCIENCES HUB WALES LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

	Notes	2022 £	2021 £
<b>Non-current assets</b>			
Intangible assets	12	5,083	-
Property, plant and equipment	11	329,623	577,136
		<u>334,706</u>	<u>577,136</u>
<b>Current assets</b>			
Trade and other receivables	14	2,977,143	2,749,306
Cash and cash equivalents		3,540,577	868,857
		<u>6,517,720</u>	<u>3,618,163</u>
<b>Total assets</b>		<u>6,852,426</u>	<u>4,195,299</u>
<b>Current liabilities</b>			
Trade and other payables	15	6,137,485	3,081,415
Lease liabilities	16	261,910	247,925
Deferred revenue	17	350,226	501,244
		<u>6,749,621</u>	<u>3,830,584</u>
<b>Net current liabilities</b>		<u>(231,901)</u>	<u>(212,421)</u>
<b>Non-current liabilities</b>			
Lease liabilities	16	90,546	352,456
<b>Total liabilities</b>		<u>6,840,167</u>	<u>4,183,040</u>
<b>Net assets</b>		<u>12,259</u>	<u>12,259</u>
<b>Equity</b>			
Retained earnings	19	12,259	12,259

For the year ended 31 March 2022, the Company was entitled to exemption from the requirements of Part 16 of the Companies Act 2006 under section 482 of this Act (non-profit making companies subject to public sector audit).

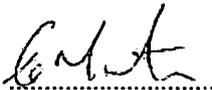
# LIFE SCIENCES HUB WALES LIMITED

## STATEMENT OF FINANCIAL POSITION (CONTINUED)

**AS AT 31 MARCH 2022**

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The financial statements were approved by the board of directors and authorised for issue on 27 July 2022 and are signed on its behalf by:



Chris Martin  
Chair

**Company Registration No. 08719645**

# LIFE SCIENCES HUB WALES LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

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	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	27	2,951,561		459,778	
<b>Net cash inflow from operating activities</b>		<u>2,951,561</u>		<u>459,778</u>	
<b>Investing activities</b>					
Purchase of intangible assets		<u>(5,083)</u>		<u>-</u>	
<b>Net cash used in investing activities</b>			<u>(5,083)</u>		<u>-</u>
<b>Financing activities</b>					
Payment of lease liabilities		<u>(274,758)</u>		<u>(274,758)</u>	
<b>Net cash used in financing activities</b>			<u>(274,758)</u>		<u>(274,758)</u>
<b>Net increase in cash and cash equivalents</b>		<u>2,671,720</u>		<u>185,020</u>	
Cash and cash equivalents at beginning of year		<u>868,857</u>		<u>683,837</u>	
<b>Cash and cash equivalents at end of year</b>		<u>3,540,577</u>		<u>868,857</u>	

# LIFE SCIENCES HUB WALES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2022**

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### 1 Accounting policies

#### Company information

Life Sciences Hub Wales Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 2nd Floor, 3 Assembly Square, Britannia Quay, Cardiff Bay, Cardiff, United Kingdom, CF10 4PL.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the UK and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, except as otherwise stated.

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

#### 1.2 Going concern

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

#### 1.3 Revenue

Income receivable from Welsh Government is recognised in the year in which the income is received in line with the Remit Letter which outlines funding for the period normally to 31 March each year.

Grants receivable from the Welsh Government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with the condition attached thereto.

Income from desk, meeting room and conference suite hire is recognised on the date that the event takes place. Deposits paid in advance are held and income recognised on the date that the event takes place.

Other income relates to income arising from the provision of a coffee machine for the use of visitors and is recognised when received.

Interest income and expense is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable.

#### 1.4 Intangible assets other than goodwill

Intangible assets with a finite life are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases of 3 years.

Intangible assets in the course of construction are not amortised.

# LIFE SCIENCES HUB WALES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 Accounting policies

##### 1.5 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. The Company does not group assets for capitalisation.

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

Leasehold land and buildings	Over the remaining period of the lease
Fixtures and fittings	3 years
Office equipment	3 years

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

##### 1.6 Impairment of tangible and intangible assets

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

##### 1.7 Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The resulting calculations under IFRS 13 affected the principles that the company uses to assess the fair value, but the assessment of fair value under IFRS 13 has not materially changed the fair values recognised or disclosed. IFRS 13 mainly impacts the disclosures of the company. It requires specific disclosures about fair value measurements and disclosures of fair values, some of which replace existing disclosure requirements in other standards.

##### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

##### 1.9 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

# LIFE SCIENCES HUB WALES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 Accounting policies

##### ***Loans and receivables***

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Loans and receivables comprise cash and cash equivalents, and trade and other receivables.

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

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

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

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

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

#### 1.10 Financial liabilities

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

##### ***Other financial liabilities***

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

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

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

# LIFE SCIENCES HUB WALES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 Accounting policies

##### 1.11 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event and it is probable that the company will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

##### 1.12 Employee benefits

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

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

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

##### 1.13 Retirement benefits

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

##### 1.14 Leases

At inception, the company assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the company recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within property, plant and equipment, apart from those that meet the definition of investment property.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs and an estimate of the cost of obligations to dismantle, remove, refurbish or restore the underlying asset and the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of other property, plant and equipment. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee, and the cost of any options that the company is reasonably certain to exercise, such as the exercise price under a purchase option, lease payments in an optional renewal period, or penalties for early termination of a lease.

# LIFE SCIENCES HUB WALES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 Accounting policies

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in: future lease payments arising from a change in an index or rate; the company's estimate of the amount expected to be payable under a residual value guarantee; or the company's assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less, or for leases of low-value assets including IT equipment. The payments associated with these leases are recognised in profit or loss on a straight-line basis over the lease term.

#### 1.15 Grants

Government grants are recognised when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to costs yet to be incurred are deferred and recognised in the Statement of Profit or Loss over the period necessary to match them with the costs for which they are intended to compensate.

Grants received for the purchase of capital equipment are credited to a deferred income account and released to the Statement of Profit or Loss over the expected useful lives of the assets concerned.

#### 1.16 Taxation

The charge for current tax is based on the results for the year as adjusted for items which are non-assessable or disallowed. It is calculated using rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the rates that are expected to apply when the asset or liability is settled. Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

# LIFE SCIENCES HUB WALES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 2 Critical accounting estimates and judgements

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

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

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Accrual estimates at the year-end have been based on work completed or goods received but not invoiced.

Accrued income in relation to the Accelerate project has been estimated based on costs incurred but not yet claimed. This totaled £180,577 for LSHW and £2,728,050 for the 3 other partners for the year ended 31st March 2022 (2021: £2,627,900). The submission of claims has now resumed. A no cost extension to December 2022 has been accepted by WEFO in March 2022 and all partners have signed off a standard variation letter to accept the no cost extension in April 2022.

The implementation of IFRS 16 in 2019/20 included an element of estimate and judgement. The weighted average lessee's incremental borrowing rate applied to lease liabilities recognised in the statement of financial position at the date of initial application was 5.5%. An incremental borrowing rate has been applied to the lease which was calculated using the average property yield in the area of the premises. The lease term of the premises is deemed to be the period stated in the rental contract which is 46 months. The lease contract does not include any extension options or early termination options.

#### 3 Adoption of new and revised standards and changes in accounting policies

##### Standards which are in issue but not yet effective

At the date of authorisation of these financial statements, the following Standards and Interpretations, which have not yet been applied in these financial statements, were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

IFRS 17

Insurance Contracts - effective from 1/1/2023

The Directors anticipate that the adoption of these standards and interpretations in future periods will have no material impact on the financial statements of the Company.

# LIFE SCIENCES HUB WALES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 4 Revenue

	2022	2021
	£	£
<b>Revenue analysed by class of business</b>		
Welsh Government - Core funding	3,292,893	2,797,761
Digital Health EcoSystem Wales project	-	117,547
License fees	36,784	39,415
Other	41,325	5,070
WEFO - Accelerate project	3,106,208	2,608,163
Welsh Government - Accelerate project	128,290	266,522
	<u>6,605,500</u>	<u>5,834,478</u>
	2022	2021
	£	£
<b>Other significant revenue</b>		
Grants received - capital	-	1,464
	<u>-</u>	<u>1,464</u>

#### Accelerate project

Accelerate was initially a three year programme that supports the translation of new technology, products and services, through research and development projects, to improve health and social care within Wales. It is delivered through a collaboration between the Life Sciences Hub Wales Ltd as Lead Beneficiary, Swansea University, Cardiff University and University of Wales Trinity Saint David. It is jointly funded by the Wales European Funding Office through the European Regional Development Fund (ERDF) (financial award £12,339,771) and Welsh Government (financial award £650,000) in addition to match funding from the partners. As Lead Beneficiary, LSHW makes a retrospect claim against the ERDF financial award on behalf of all partners and pays the appropriate proportion to each partner on receipt of an appropriate invoice. The programme has been extended at no cost to December 2022 and a further £200,000 funding from Welsh Government has been awarded to the programme in April 2022.

The impact of the Accelerate project can be seen in the Statement of Comprehensive Income (administrative expenses), note 4 - revenue, note 13 - trade receivables and other receivables (prepayments and accrued income) and note 15 - trade and other payables (accruals).

During the 2021/22 financial year income of £3,106,208 (2021 £2,608,163) has been recognised in the financial statements from WEFO of which £2,973,064 (2021: £2,482,477) was paid to partners. Actual income due to the company totaled £133,144 (2021: £125,687).

# LIFE SCIENCES HUB WALES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 5 Administrative expenses

Contained in administrative expenses is:

	2022 £000	2021 £000
Staff costs	2,239.7	2,101.1
Re-distribution of WEFO grant to partner bodies	2,973.1	2,482.5
Facilities/ accommodation costs	295.7	206.3
ICT costs	250.2	210.8
Office running costs	38.4	128.2
Marketing	267.9	123.6
Events	17.8	1.8
Travel	(0.8)	3.7
Depreciation and Amortisation	247.5	253.0
Finance and compliance	247.2	283.2
Other	2.0	1.6
<b>Total expenditure</b>	<b>6,578.7</b>	<b>5,795.8</b>

Included within the staff costs category above are recruitment expenses and training costs.

#### 6 Operating profit

	2022 £	2021 £
Operating profit for the year is stated after charging/(crediting):		
Government grants	-	(1,464)
Fees payable to the company's auditor for the audit of the company's financial statements	18,132	17,486
Depreciation of property, plant and equipment	247,513	251,145
Amortisation of intangible assets (included within administrative expenses)	-	1,902
	<u>          </u>	<u>          </u>

#### 7 Employees

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

	2022 Number	2021 Number
Directors	10	7
Administrative	12	12
Marketing and events	8	8
Secondment	-	3
DHEW	1	2
Chief Executive Officer	1	1
Innovation & Adoption	16	10
Accelerate	3	6
	<u>          </u>	<u>          </u>
<b>Total</b>	<b>51</b>	<b>49</b>
	<u>          </u>	<u>          </u>

# LIFE SCIENCES HUB WALES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 7 Employees

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	1,857,029	1,767,487
Social security costs	186,106	177,981
Pension costs	122,889	111,220
	<u>2,166,024</u>	<u>2,056,688</u>

### 8 Directors' remuneration

	2022	2021
	£	£
Remuneration for qualifying services	<u>70,069</u>	<u>60,835</u>

The remuneration of Directors comprises salary and National Insurance and is included in the wages and salaries disclosure above.

No directors accrued retirement benefits in the current year or prior year.

### 9 Finance costs

	2022	2021
	£	£
Unwinding of lease interest regarding IFRS 16 implementation	<u>26,833</u>	<u>40,071</u>
	<u>26,833</u>	<u>40,071</u>

# LIFE SCIENCES HUB WALES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 10 Income tax expense

	2022 £	2021 £
The charge for the year can be reconciled to the (loss)/profit per the income statement as follows:		
	2022 £	2021 £
(Loss)/profit before taxation	-	76
Expected tax charge based on a corporation tax rate of 19.00%	-	14
Effect of expenses not deductible in determining taxable profit	1,294,188	1,148,444
Income not taxable	(1,246,854)	(1,100,377)
Utilisation of tax losses not previously recognised	(307)	(364)
Depreciation on assets not qualifying for tax allowances	(47,027)	(47,717)
<b>Taxation charge for the year</b>	<b>-</b>	<b>-</b>

#### 11 Property, plant and equipment

	Leasehold land and buildings £	Fixtures and fittings £	Total £
<b>Cost</b>			
At 1 April 2020	947,669	404,484	1,352,153
At 31 March 2021	947,669	404,484	1,352,153
Disposals	-	(328,428)	(328,428)
At 31 March 2022	947,669	76,056	1,023,725
<b>Accumulated depreciation and impairment</b>			
At 1 April 2020	123,610	400,262	523,872
Charge for the year	247,218	3,927	251,145
At 31 March 2021	370,828	404,189	775,017
Charge for the year	247,218	295	247,513
Eliminated on disposal	-	(328,428)	(328,428)
At 31 March 2022	618,046	76,056	694,102
<b>Carrying amount</b>			
At 31 March 2022	329,623	-	329,623
At 31 March 2021	576,841	295	577,136
At 31 March 2020	824,059	4,222	828,281

# LIFE SCIENCES HUB WALES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 11 Property, plant and equipment

Property, plant and equipment includes right-of-use assets, as follows:

Right-of-use assets	2022 £	2021 £
<b>Net values</b>		
Property	329,623	576,841
<b>Depreciation charge for the year</b>		
Property	247,218	247,218

### 12 Intangible assets

	Desk Booking System £	Website Development £	Total £
<b>Cost</b>			
At 1 April 2020	23,050	19,950	43,000
At 31 March 2021	23,050	19,950	43,000
Additions	-	5,083	5,083
At 31 March 2022	23,050	25,033	48,083
<b>Amortisation and impairment</b>			
At 1 April 2020	21,148	19,950	41,098
Charge for the year	1,902	-	1,902
At 31 March 2021	23,050	19,950	43,000
At 31 March 2022	23,050	19,950	43,000
<b>Carrying amount</b>			
At 31 March 2022	-	5,083	5,083
At 31 March 2021	-	-	-
At 31 March 2020	1,902	-	1,902

### 13 Trade receivables - credit risk

#### Fair value of trade receivables

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

# LIFE SCIENCES HUB WALES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 13 Trade receivables - credit risk

No significant receivable balances are impaired at the reporting end date.

### 14 Trade and other receivables

	2022 £	2021 £
Trade receivables	-	41,142
VAT recoverable	18,789	-
Prepayments and accrued income	2,958,354	2,708,164
	<u>2,977,143</u>	<u>2,749,306</u>

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

Included within prepayments and accrued income is £2.7m (2021: £2.4m) relating to Accelerate partner expenditure which LSHW claims on their behalf and pays to the partner on receipt of an appropriate invoice.

### 15 Trade and other payables

	2022 £	2021 £
Trade payables	441,461	83,183
Accruals	5,676,671	2,978,268
Social security and other taxation	-	1,100
Other payables	19,353	18,864
	<u>6,137,485</u>	<u>3,081,415</u>

Included within trade payables and accruals is £361,909 (2021: £248,335) owed by the Company to the Welsh Government in relation to facilities management, electricity and soundproofing works re-charged to the Company (see note 23 for further details).

Included within Accruals is £2.7m (2021: £2.4m) relating to Accelerate partner expenditure which LSHW claims on their behalf and pays to the partner on receipt of an appropriate invoice.

### 16 Lease liabilities

	2022 £	2021 £
<b>Maturity analysis</b>		
Within one year	261,910	247,925
In two to five years	90,546	352,456
<b>Total undiscounted liabilities</b>	<u>352,456</u>	<u>600,381</u>

# LIFE SCIENCES HUB WALES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 16 Lease liabilities

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2022 £	2021 £
Current liabilities	261,910	247,925
Non-current liabilities	90,546	352,456
	<u>352,456</u>	<u>600,381</u>

On the 31 July 2013, The Welsh Ministers signed a 10-year superior lease agreement with a third party in relation to the property that the Company occupies. On the 4 July 2014, The Welsh Ministers entered a license agreement with the same third party relating to the underletting of this property to the Company. On the same day, the under-lease between The Welsh Ministers and the Company was signed. The under-lease ceased on the 29 June 2018. On 7 October 2019 completion on a new under-lease to 25 July 2023 was completed under IFRS 16. See note 2 for the effects of IFRS 16.

The fair value of the company's lease obligations is approximately equal to their carrying amount.

### 17 Deferred revenue

	2022 £	2021 £
Arising from government grants	350,226	466,249
Arising from hire and other revenue	-	34,995
	<u>350,226</u>	<u>501,244</u>

All deferred revenues are expected to be settled within 12 months from the reporting date.

### 18 Retirement benefit schemes

#### Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The total costs charged to income in respect of defined contribution plans is £122,889 (2021: £111,220).

# LIFE SCIENCES HUB WALES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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### 19 Retained earnings

	2022	2021
	£	£
At the beginning of the year	12,259	12,183
Profit for the year	-	76
	<u>12,259</u>	<u>12,259</u>
At the end of the year	<u>12,259</u>	<u>12,259</u>

### 20 Capital commitments

There were no capital commitments at 31 March 2022 (2021: £nil).

### 21 Capital risk management

The company is not subject to any externally imposed capital requirements.

### 22 Events after the reporting date

The Financial Statements were authorised for issue on 27/07/2022. The Welsh Government has the power to amend the Financial Statements after issue.

# LIFE SCIENCES HUB WALES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 23 Related party transactions

##### Remuneration of key management personnel

The remuneration of key management personnel, including directors, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

	2022	2021
	£	£
Short-term employee benefits	70,069	60,835
	<u>70,069</u>	<u>60,835</u>

The company is a wholly controlled subsidiary of the Welsh Government and therefore the Welsh Government is regarded as a related party. During the year, the company received income from the Welsh Government of £3,421,183 consisting of £3,292,893 of core funding and £128,290 WG project income for Accelerate and DHEW (2021: £2,797,761 of core funding and £385,533 WG project income). During the year, the Welsh Government invoiced £788,373 for services provided including the cost of rent, service charges, facilities management, and website (2021: £476,311). At 31 March 2022, the company owed the Welsh Government £361,909 (2021: £274,231) in relation to facilities management, electricity and soundproofing works re-charged to the Company (See note 15).

Two directors have a specific interest in Welsh Government. Chris Martin is the Non-Executive Chair of the ESRN Audit and Risk assurance Committee and a member of the Audit and Remuneration Committee. Professor Haimish Laing is the Vice Chair in Welsh Government Digital Services for patients and the Public programme Board, and the Senior Responsible Officer for Digital Medicines Transformation Portfolio (secondment from Swansea University).

Professor Hamish Laing is a professor at Swansea University. Victoria Bates is an affiliate of the University within Value Based Health Care (VBHC) Executive Education. Chris Martin was also awarded an honorary doctorate by the University. During the year Swansea University invoiced the company £221,735 (2021: £687,333) and the company received income from the university of £nil (2021: £23,330). The company owed the university £75,603 (2021: £182,611) and was owed £nil by the university (2021: £27,996) at the year end. The Accelerate income and expenditure transactions with the University in the year totaled £736,769 (2021: £1,022,802). There is both an accrual and accrued income value contained in the financial statements for these amounts.

Mrs C O'Brien is the Acting Chief Operating Officer in Velindre NHS Trust. Invoices for the supply of services were received from Velindre NHS Trust totaling £nil (2021: £nil) Velindre NHS Trust were invoiced for £47,417 (2021: £38,275) for services supplied by Life Sciences Hub Wales during the year and owed £nil (2021: £228) at the year end.

Peter Max's wife's relative is the majority shareholder of EST Ltd. Invoices for the supply of services were received from EST totaling £25,633 (2021: £85,516). There were no amounts outstanding at the current year end (2021: £5,293).

Len Richards was the Chief Executive of Cardiff and Vale University Health Board (until September 2021) and Professor Sir Mansel Aylward is a specialist advisor to the health board. Invoices for the supply of services were received from Cardiff and Vale University Health Board totaling £13,406 (2021: £27,500). There were no amounts outstanding at the current or prior year end.

Len Richards is a Council member of Cardiff University and Professor Sir Mansel Aylward is a professor of Public Health Education and Special Advisor to the Vice-Chancellor. Cardiff University forms part of the Accelerate programme with the company. The Accelerate income and expenditure transactions with the University in the year totaled £1,290,317 (2021: £898,953). There is both an accrual and accrued income value contained in the financial statements for these amounts.

# LIFE SCIENCES HUB WALES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 24 Controlling party

The Welsh Ministers has ultimate control of the Company, being the sole member.

#### 25 Going Concern

In adopting the going concern basis for preparing the Financial Statements, the Directors have considered the business activities as well as the Company's principal risks and uncertainties as set out in the risk register.

Whilst the Company has a confirmed budget for the year to 31 March 2023, a long term funding agreement is expected to be secured after this date.

The Welsh Government has pledged ongoing support for the Life Sciences Hub and are closely involved in the development of the long-term strategy and direction of the Company.

#### 26 Share Capital

The Company is limited by guarantee with the Welsh Ministers agreeing to contribute the sum of £1 in the event of the Company being wound up.

#### 27 Cash generated from operations

	2022	2021
	£	£
Profit for the year after tax	-	76
<b>Adjustments for:</b>		
Finance costs	26,833	40,071
Amortisation and impairment of intangible assets	-	1,902
Depreciation and impairment of property, plant and equipment	247,513	251,145
<b>Movements in working capital:</b>		
Increase in trade and other receivables	(227,837)	(280,024)
Increase in trade and other payables	3,056,070	286,949
(Decrease)/increase in deferred revenue outstanding	(151,018)	159,659
<b>Cash generated from operations</b>	<u>2,951,561</u>	<u>459,778</u>



**Hwb Gwyddorau Bywyd Cymru**  
**Life Sciences Hub Wales**

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