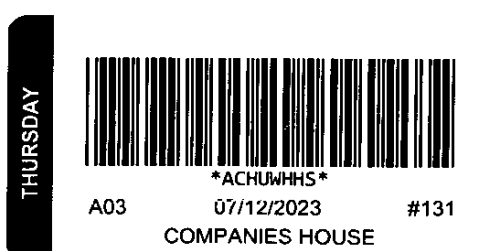


Concept Life Sciences (Midco) Limited
Annual report and unaudited financial statements
for the year ended 31 December 2022

Registered number: 09046568



Concept Life Sciences (Midco) Limited

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Concept Life Sciences (Midco) Limited

Company information

The board of directors	Dr B Cliff
Principal place of business	Frith Knoll Road Chapel-en-le-Frith High Peak SK23 0PG
Registered office	Frith Knoll Road Chapel-en-le-Frith High Peak SK23 0PG
Bankers	NatWest Bank plc 55 Bishopsgate London EC2M 4AA

Concept Life Sciences (Midco) Limited

Directors' report

The Directors present their report and the unaudited financial statements of the Company for the year ended 31 December 2022. The Company has taken advantage of the exemption to not prepare a Strategic Report under section 414B of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

Results and dividends

The results for the year ended 31 December 2022 and financial position of the Company are as shown in the income statement and statement of financial position. The Directors do not recommend the payment of a dividend (2021: £nil).

Future developments

The Directors expect the general level of activity to remain consistent in the forthcoming year.

The company ultimate share holdings was purchased on the 31st March 2023 by Limerston Capital.

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company has net liabilities but its ultimate parent undertaking, Spectris plc, has confirmed it will provide financial support for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements. Details can be found in the statement of accounting policies within note 1.

Directors

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

M Carnegie-Brown (resigned 31st March 2023)

SFA Horder (resigned 30th August 2022)

S Blair (resigned 31st March 2023)

Dr B Cliff (appointed 31st March 2023)

Directors' indemnities

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

Approved by the Board and signed on its behalf by:



Dr B Cliff

Director

Date: 27 July 2023

Concept Life Sciences (Midco) Limited

Directors' responsibilities statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 Reduced Disclosure Framework. Under company law, The Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

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

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

Concept Life Sciences (Midco) Limited

Income statement

For the year ended 31 December 2022

		Year ended 31 December 2022 £	Year ended 31 December 2021 £
	Note		
Net administrative (expenses)/income		-	(110,770)
Non-underlying items	3	-	(145,907)
Operating loss	2	-	(256,677)
Net finance charges	5	(1,141,933)	(691,123)
Loss on ordinary activities before taxation		(1,141,933)	(947,800)
Tax charge on loss on ordinary activities	6	(6,925)	(70,815)
Loss for the financial year		<u>(1,148,858)</u>	<u>(1,018,615)</u>

All amounts relate to continuing activities.

There were no items of other comprehensive income in either year other than the losses shown above. No separate statement of total comprehensive income has therefore been presented.

Statement of Changes in Equity

For the year ended 31 December 2022

	Called-up share capital £	Profit and loss account £	Total equity £
As at 1 January 2021	1	(58,283,660)	(58,283,659)
Total comprehensive loss for the year	-	(1,018,615)	(1,018,615)
As at 31 December 2022 and 1 January 2022	1	(59,302,275)	(59,302,274)
Total comprehensive loss for the year	-	(1,148,858)	(1,148,858)
As at 31 December 2022	1	<u>(60,451,133)</u>	<u>(60,451,132)</u>

Concept Life Sciences (Midco) Limited

Statement of financial position

For the year ended 31 December 2022

	Note	2022 £	2021 £
Non-current assets			
Intangible assets	7	-	-
Property, plant and equipment	7	-	-
Investments in subsidiaries	8	5	5
		<u>5</u>	<u>5</u>
Current assets			
Trade and other receivables	10	46,329,519	47,181,289
Deferred tax asset	9	16,653	22,637
		<u>46,346,172</u>	<u>47,203,926</u>
Creditors: amounts falling due within one year	11	<u>(73,235,809)</u>	<u>(74,036,683)</u>
Net current (liabilities)		<u>(26,889,637)</u>	<u>(26,832,757)</u>
Total assets less current liabilities		(26,889,632)	(26,832,752)
Creditors: amounts falling due after one year	12	<u>(33,561,500)</u>	<u>(32,469,522)</u>
Net liabilities		<u>(60,451,132)</u>	<u>(59,302,274)</u>
Capital and reserves			
Called-up share capital	13	1	1
Profit and loss account		<u>(60,451,132)</u>	<u>(59,302,275)</u>
Shareholders' deficit		<u>(60,451,131)</u>	<u>(59,302,274)</u>

Registered number: 09046568

For the year ending 31 December 2022, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. Directors' responsibilities:

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

The financial statements of Concept Life Sciences (Midco) Limited were approved by the Board of Directors and authorised for issue on 27th July 2023. They were signed on its behalf by:



Dr B Cliff
Director

Concept Life Sciences (Midco) Limited

Notes to the financial statements

For the year ended 31 December 2022

1. Accounting policies

Concept Life Sciences (Midco) Limited (the “Company”) is incorporated and domiciled in the UK.

Basis of preparation

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

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

The Company’s ultimate parent undertaking, Spectris plc includes the Company in its consolidated financial statements. The consolidated financial statements of Spectris plc are prepared in accordance with International Financial Reporting Standards as adopted by the EU, and are available to the public as set out in note 15.

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

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

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

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

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

The financial statements are prepared on the historical cost basis.

These financial statements are presented in pounds sterling.

The preparation of financial statements in conformity with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Concept Life Sciences (Midco) Limited

Notes to the financial statements

For the year ended 31 December 2022

1. Accounting policies (continued)

Going concern

Due to the nature of the Company's operations, it has limited cash flow requirements and has significant net liabilities. The Directors have received confirmation that Spectris plc, the Company's holding company, will continue to provide the necessary level of support to enable it to continue to operate for the foreseeable future and therefore they have adopted the going concern basis in preparing the financial statements.

Investments in subsidiaries

Investments in subsidiaries are shown at cost less provision for impairment.

Impairment of investments

Investment carrying values are reviewed for impairment if events or changes in circumstances indicate that the carrying amount of an asset or cash generating unit is not recoverable. Recoverable amount is the higher of fair value, as supported by management valuation, less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost represents purchase price together with any incidental costs of acquisition. Where parts of an item of property, plant and equipment or software have different useful economic lives, they are accounted for as separate items. Depreciation is charged to the income statement over the estimated useful life of each part of an item of fixed assets and intangible assets. The estimated useful economic lives and depreciation rates are as follows:

Fixtures and fittings	- 5 years on a straight-line basis
Computer software	- 5 years on a straight-line basis

Taxation

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

Current tax

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

Deferred tax

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

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

Trade and other payables

Trade and other payables are non-interest bearing and recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Concept Life Sciences (Midco) Limited

Notes to the financial statements

For the year ended 31 December 2022

1. Accounting policies (continued)

Finance charges

Finance charges comprise interest payable on interest-bearing loans and borrowings and fair value losses on interest rate swap derivative financial instruments. Finance charges are recognised in the income statement on an effective interest method.

Finance income

Finance income comprises interest receivable on funds invested and fair value gains on interest rate swap derivative financial instruments. Finance income is recognised in the income statement on an effective interest method.

Non-underlying items

Non-underlying items are those items that are unusual because of their size, nature or incidence, or that the Directors consider should be disclosed separately to enable a full understanding of the Company's results. This includes non-recurring acquisition expenses. Non-underlying items have been presented separately on the face of the income statement. The Directors consider that this presentation gives a more accurate presentation of the results of the Company.

Financial instruments

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

Concept Life Sciences (Midco) Limited

Notes to the financial statements

For the year ended 31 December 2022

1. Accounting policies (continued)

Critical accounting estimates and judgements

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

Recoverability of intercompany

Recoverability of intragroup debts is assessed based upon the standing position of the respective party and that company's projections. Assessment is made with regards to the uncertainties inherent within any projections. Impairment provisions are made for any amounts which are considered uncertain to be recovered in full.

2. Operating loss

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Operating loss is stated after charging:		
Depreciation	-	17,954
Amortisation	-	75,413
Net foreign exchange losses	-	-
	<u>-</u>	<u>93,367</u>

3. Non-underlying items

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Restructuring costs	-	145,907
Impairment of investment	-	-
	<u>-</u>	<u>145,907</u>

Restructuring costs in the prior year relate to changes in legal structure to facilitate the sale of a subsidiary.

Concept Life Sciences (Midco) Limited

Notes to the financial statements

For the year ended 31 December 2022

4. Staff and Directors costs

The average monthly number of employees (including executive Directors) was:

	Year ended 31 December 2022 No.	Year ended 31 December 2021 No.
Administration	-	-

Their aggregate remuneration comprised:

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Wages and salaries	-	-
Social security costs	-	-
Other pension costs	-	-
	-	-

All of the above costs are recharged to trading subsidiary undertakings.

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Directors' remuneration		
Emoluments	-	-

No Directors received contributions to a defined benefit pension scheme or money purchase scheme.

	£	£
Remuneration of the highest paid director		
Emoluments	-	-

It was not practicable to allocate the Directors remuneration between their services to group companies and as such, they have been remunerated by Concept Life Sciences Integrated Discovery & Development Services Limited (an entity 100% owned by Concept Life Sciences Midco Ltd).

Concept Life Sciences (Midco) Limited

Notes to the financial statements

For the year ended 31 December 2022

5. Net finance charges

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Finance charges		
Interest on intercompany loans	1,141,933	691,123
Net finance charges	<u>1,141,933</u>	<u>691,123</u>

6. Tax on loss on ordinary activities

The tax charge/(credit) comprises:

	2022 £	2021 £
Current tax		
UK corporation tax	-	(51,737)
Adjustments in respect of prior years	941	122,750
Total current tax charge	<u>941</u>	<u>71,013</u>
Deferred tax		
Origination and reversal of timing differences	5,984	2,725
Changes in tax rates	-	(2,923)
Adjustments in respect of prior years	-	-
Total deferred tax (credit)/charge	<u>5,984</u>	<u>(198)</u>
Total tax charge on loss on ordinary activities	<u>6,925</u>	<u>70,815</u>

Concept Life Sciences (Midco) Limited

Notes to the financial statements

For the year ended 31 December 2022

6. Tax on loss on ordinary activities (continued)

The tax charge in the income statement for the year is higher than (2021: higher than) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are reconciled below:

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Loss on ordinary activities before tax	(1,141,933)	(947,800)
Tax credit on loss on ordinary activities at standard UK corporation tax rate of 19% (2021: 19%)	(216,967)	(180,082)
Effects of:		
Non-deductible expenditure	-	131,070
Tax losses not recognised	234,666	-
Other current year items	(11,715)	-
Change in tax rates	-	(2,923)
Adjustments in respect of prior year	941	122,750
Total tax charge for year	6,925	70,815

Change in corporation tax rate

The Finance Bill 2021 enacted a corporation tax rate increase from 19% to 25% (effective 1 April 2023). This was substantively enacted on 24th May 2021 and so deferred tax has been calculated at 25%.

Concept Life Sciences (Midco) Limited

Notes to the financial statements

For the year ended 31 December 2022

7. Intangible assets and property, plant and equipment

	Intangible assets	Property, plant and equipment
	Computer software	Fixtures and fittings
	£	£
Cost		
As at 1 January 2022 and 31 December 2022	198,107	69,168
Amortisation/depreciation		
As at 1 January 2022	198,107	69,168
Charge for the year	-	-
As at 31 December 2022	198,107	69,168
Net book value		
As at 31 December 2022	-	-
As at 31 December 2021	-	-

8. Investments in subsidiaries

	£
Cost	
As at 1 January 2022	47,472,133
As at 31 December 2022	47,472,133
Impairment	
Impairment charge as at 1 January 2022	47,472,128
Impairment charge as at 31 December 2022	47,472,128
Net book value	
As at 31 December 2022	5
As at 1 January 2022	5

Concept Life Sciences (Midco) Limited

Notes to the financial statements

For the year ended 31 December 2022

8. Investments in subsidiaries (continued)

The Company's subsidiaries act as intermediary holding companies and carried out subsequent acquisitions of a number of entities as listed in the table below.

As at 31 December 2022, the Company held 100%, either directly or indirectly of the issued share capital of the following subsidiary undertakings. The majority of the subsidiary undertakings are incorporated in England and Wales, unless otherwise stipulated.

	Country of incorporation	Principal activity
Aquila Biomedical Limited ²	Scotland	Drug Discovery Services
Concept Life Sciences (Laboratories) Limited	England & Wales	Intermediate Holding Company
Concept Life Sciences Integrated Discovery & Development Services Limited	England & Wales	Drug Discovery Services
CXR Biosciences Limited ¹	Scotland	Dormant
Peakdale Chemistry Services Limited	England & Wales	Dormant
Peakdale, Inc. ³	Delaware, United States	Drug Discovery Services
Peakdale Molecular Limited	England & Wales	Dormant
Concept Life Sciences Limited	England & Wales	Dormant
CLS Analytics Limited	England & Wales	Dormant
Concept Life Sciences (Environmental Consulting) Limited	England & Wales	Dormant
Concept Life Sciences Limited (Discovery) Limited	England & Wales	Dormant

¹. The registered address of CXR Biosciences Limited is 2 James Lindsay Place, Dundee Technopole, Dundee, DD1 5JJ.

². The registered address of Aquila Biomedical Limited is 2 James Lindsay Place, Dundee Technopole, Dundee, DD1 5JJ.

³. The registered agent address of Peakdale, Inc. is 3411 Silverside Road, Tatnall Building #104, Wilmington 19810.

All remaining subsidiary undertakings noted above have a registered address of Melbourne House, 44-46 Aldwych, London, WC2B 4LL

Concept Life Sciences (Midco) Limited

Notes to the financial statements

For the year ended 31 December 2022

9. Deferred tax

The movement in the deferred taxation asset during the year was:

	2022 £	2021 £
As at 1 January	22,637	22,439
Income statement movement arising during the year	(5,984)	198
Adjustment in respect of prior period	-	-
	<u>16,653</u>	<u>22,637</u>
As at 31 December	<u>16,653</u>	<u>22,637</u>

The deferred taxation asset consists of the tax effect of temporary differences in respect of:

	2022 £	2021 £
Temporary differences relating to other items	13,485	18,773
Temporary differences relating to tangible assets	3,168	3,864
	<u>16,653</u>	<u>22,637</u>

10. Trade and other receivables

	2022 £	2021 £
Amounts owed by Group undertakings	46,329,519	47,129,552
Prepayments and accrued income	-	-
Corporation Tax	-	51,737
	<u>46,329,519</u>	<u>47,181,289</u>

Amounts owed by Group undertakings are repayable upon demand. No interest is charged.

Concept Life Sciences (Midco) Limited

Notes to the financial statements

For the year ended 31 December 2022

11. Creditors – amounts falling due within one year

	2022 £	2021 £
Trade payables	-	-
Other taxation and social security	29,547	29,547
Accruals and deferred income	42,308	845,340
Amounts owed to Group undertakings	73,187,496	73,184,497
Corporation tax	-	-
Cash at bank and in hand	(23,542)	(22,701)
	<u>73,235,809</u>	<u>74,036,683</u>

Amounts owed to Group undertakings are repayable upon demand. No interest is charged.

12. Creditors – amounts falling due after more than one year

	2022 £	2021 £
Amounts owed to Group undertakings	<u>33,561,500</u>	<u>32,469,522</u>

13. Called up share capital

	2022 No.	2022 £	2021 No.	2021 £
Allotted, called-up and fully-paid				
19,062,202 ordinary shares of £0.000000052459836	<u>19,062,202</u>	<u>1</u>	<u>19,062,202</u>	<u>1</u>

Ordinary share rights

The ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

14. Defined contribution pension scheme

The Company no longer operates a defined contribution scheme. The pension cost charge for the year represented contributions payable by the Company to the scheme and amounted to £nil (2021: £nil).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

Concept Life Sciences (Midco) Limited

Notes to the financial statements

For the year ended 31 December 2022

15. Ultimate parent and controlling party

At 31 December 2022, Spectris Group Holdings Ltd was the immediate parent and Spectris plc, a company listed on the London Stock Exchange was the ultimate controlling party by virtue of its 100% holding in the issued share capital of Concept Life Sciences (Holdings) Limited.

Spectris plc, is the largest and smallest group in which the results of the Company are consolidated. The consolidated accounts of this company may be obtained from Spectris plc, Melbourne House, 44-46 Aldwych, London, WC2B 4LL