

Company Registration No. 11848606 (England and Wales)

APCER LIFE SCIENCES HOLDING LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2020

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APCER LIFE SCIENCES HOLDING LIMITED

COMPANY INFORMATION

Directors

J F Kiley
Dr V Kacker
R N Menon
T G Menon
T R Menon
D R Menon

Company number

11848606

Registered office

Third Floor
One London Square
Cross Lanes
Guildford
Surrey
GU1 1UN

Auditor

RSM UK Audit LLP
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB
United Kingdom

APCER LIFE SCIENCES HOLDING LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors present the strategic report for the year ended 31 March 2020.

Fair Review of the Business

APCER is now into its thirteenth year of being in business.

APCER continues to build on its technology enablers, which includes the latest safety database as well as implement measures that enhance productivity. The investments in processes and platforms have enabled us to be fully compliant with the shift in the regulatory framework and successfully navigate the challenges posed by the pandemic. We have continued our close partnership with a technology partner to identify and evaluate avenues through which the group can leverage technology as a business enabler.

Our highly skilled employees are energetic and enthusiastic about the opportunities that lie ahead of APCER and we continue to attract a diverse work force by creating an environment that address aspirations on career growth, learning and enhancing technical competence.

The current year witnessed a revenue decline of 9% over the previous year. The lower topline impacted both gross margins and operating profits negatively due to reduced operating leverage, with operating profits reduced to £2.4 million (2019: £4.7 million). We have increased our investment in sales and marketing and expect to benefit from this in the future years. The group ended the year with a strong financial position and maintains sufficient liquidity via access to undrawn facilities and an improved cash position on the balance sheet. Going forward we envisage that the business will grow and develop by enhancing the portfolio of services and solutions that we offer to our customers.

Principal risks and uncertainties

The impact of the coronavirus (COVID-19) is being felt by all businesses around the world. APCER has navigated a broad range of interrelated issues that span keeping our employees safe, shoring-up cash and liquidity, reorienting operations from office premises. Successful implementation of our business continuity plan (BCP) has helped mitigate the risk of disruption to operations as employees transitioned to a remote-working environment in response to the pandemic. Our employees have been able to safely continue working from remote locations.

Consolidation amongst our customers is a risk and measures have been ongoing to cultivate a unified platform to support existing customers and engage with prospective ones. We have partnered with a group based in mainland Europe to mitigate the risks to the group on account of Brexit.

Key performance indicators

The key performance indicators of the group are considered to be:

	2020	2019
Turnover	£21,146,240	£23,201,074
Gross profit	£9,540,613	£11,819,271
Gross profit margin	45.1%	50.9%
Operating profit	£2,374,920	£4,652,778

On behalf of the board



Dr V Kacker

Director

Date: 15 JAN 2021

APCER LIFE SCIENCES HOLDING LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors present their annual report and financial statements for the year ended 31 March 2020.

Principal activities

The principal activity of the group during the year was to provide pharmacovigilance consultancy, medical information, medical writing, QPPV and regulatory services to pharmaceutical companies and healthcare organisations. The principal activity of the company is that of a holding company.

The company was incorporated on 26 February 2019, with the parent company comparative year running from incorporation to 31 March 2019. The comparative consolidated financial statements run for the full year ended 31 March 2019.

Directors

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

J F Kiley
Dr V Kacker
R N Menon
T G Menon
T R Menon
D R Menon

(Appointed 14 September 2020)

Results and dividends

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

The amounts payable in respect of preference share dividends declared amounted to £944,153 (2019: £nil). No fixed timeline is in place on the payment of these. In the prior year, dividends of £187,059 were paid to non-controlling interests relating to declared dividends in previous years. The directors do not recommend payment of a final dividend.

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Directors' insurance

The group maintains insurance policies on behalf of all the directors against liability arising from negligence, breach of duty and breach of trust in relation to the group.

Liquidity risk

Liquidity risk has been mitigated by putting in place a term loan, appropriate levels of invoice financing and revolving credit facility are also in place to supplement internal cash generation and meet liquidity requirements across the group. Levels of borrowing, debt service cost and cashflow available for debt service are monitored periodically to ensure any liquidity risk is highlighted and addressed.

Credit risk

Client receivables are monitored to ensure credit risk is at manageable levels commensurate with our scale of operations.

APCER LIFE SCIENCES HOLDING LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Going concern

The financial statements have been prepared on the going concern basis as the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of at least 12 months from the date these financial statements have been signed.

The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical areas in which the Group operates. While it is unknown how long these conditions will last and what the complete financial effect will be to the Group, the directors are aware of the risks to the business in terms of liquidity and have put in place measures to address these risks. In particular, the Group's lenders remain committed to supporting the business.

To assess the going concern assumption, the Company has prepared and considered trading and cash flow forecasts for the period covering at least 12 months from the date of approval of these financial statements. After having considered the information available to them to the date of signing the financial statements, the Directors are satisfied that the Company remains a going concern.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

Post reporting date events

COVID-19 impact.

See note 28 for further details.

Auditor

In accordance with the company's articles, a resolution proposing that RSM UK Audit LLP be reappointed as auditor of the group will be put at a General Meeting.

Strategic report

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

- the fair review of the business; and
- future developments.

APCER LIFE SCIENCES HOLDING LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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, each director has taken all the necessary steps that they ought to have taken as a director 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



Dr V Kacker
Director

Date: 15/JAN/2021

APCER LIFE SCIENCES HOLDING LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020

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

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APCER LIFE SCIENCES HOLDING LIMITED

Opinion

We have audited the financial statements of Apcer Life Sciences Holding Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APCER LIFE SCIENCES HOLDING LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, 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 group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Suneel Gupta FCA (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

25 Farringdon Street

London

EC4A 4AB

United Kingdom

15 January 2021

APCER LIFE SCIENCES HOLDING LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	2019 £
Turnover	4	21,146,240	23,201,074
Cost of sales		(11,605,627)	(11,381,803)
Gross profit		9,540,613	11,819,271
Administrative expenses		(7,165,693)	(7,166,493)
Operating profit	7	2,374,920	4,652,778
Interest receivable and similar income	9	136	-
Interest payable and similar expenses	10	(362,030)	(261,769)
Fair value gains and losses on foreign exchange contracts		131,290	-
Profit before taxation		2,144,316	4,391,009
Tax on profit	11	(451,894)	(1,850,095)
Profit for the financial year		1,692,422	2,540,914
Other comprehensive income net of taxation			
Currency translation differences		(483,706)	219,366
Total comprehensive income for the year		1,208,716	2,760,280
Profit for the financial year is attributable to:			
- Owners of the parent company		1,692,422	1,791,616
- Non-controlling interests		-	749,298
		1,692,422	2,540,914
Total comprehensive income for the year is attributable to:			
- Owners of the parent company		1,208,716	1,960,667
- Non-controlling interests		-	799,613
		1,208,716	2,760,280

APCER LIFE SCIENCES HOLDING LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2020**

	Notes	2020 £	£	2019 £	£
Fixed assets					
Intangible assets	13	327,533		214,056	
Tangible assets	14	1,576,651		2,100,905	
		<u>1,904,184</u>		<u>2,314,961</u>	
Current assets					
Debtors	17	7,081,742		5,945,280	
Cash at bank and in hand		1,316,003		994,049	
		<u>8,397,745</u>		<u>6,939,329</u>	
Creditors: amounts falling due within one year	18	<u>(9,700,715)</u>		<u>(5,795,923)</u>	
Net current (liabilities)/assets		<u>(1,302,970)</u>		<u>1,143,406</u>	
Total assets less current liabilities		<u>601,214</u>		<u>3,458,367</u>	
Creditors: amounts falling due after more than one year	19	(7,895,978)		(11,019,375)	
Provisions for liabilities	22	<u>(17,264)</u>		<u>(15,579)</u>	
Net liabilities		<u><u>(7,312,028)</u></u>		<u><u>(7,576,587)</u></u>	
Capital and reserves					
Called up share capital	24	3,305,778		3,305,778	
Profit and loss reserves	25	<u>(10,617,806)</u>		<u>(10,882,365)</u>	
Total equity		<u><u>(7,312,028)</u></u>		<u><u>(7,576,587)</u></u>	

The financial statements were approved by the board of directors and authorised for issue on 15 JAN 2021 and are signed on its behalf by:

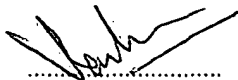

 Dr V Kacker
 Director

APCER LIFE SCIENCES HOLDING LIMITED**COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2020**

		2020		2019	
	Notes	£	£	£	£
Fixed assets					
Investments	15		16,382,701		16,382,701
Current assets					
Debtors	17	944,157		-	
Creditors: amounts falling due within one year	18	(12,528,251)		(13,076,923)	
Net current liabilities			(11,584,094)		(13,076,923)
Total assets less current liabilities			4,798,607		3,305,778
Capital and reserves					
Called up share capital	24		3,305,778		3,305,778
Profit and loss reserves	25		1,492,829		-
Total equity			4,798,607		3,305,778

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's profit for the year was £2,436,986 (34 day period to 31 March 2019 - £Nil).

The financial statements were approved by the board of directors and authorised for issue on 18/JAN/2021 and are signed on its behalf by:



Dr V Kacker
Director

APCER LIFE SCIENCES HOLDING LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Share capital £	Profit and loss reserves £	Total controlling interest £	Non-controlling interest £	Total £
Balance at 1 April 2018		3,305,778	(2,749,890)	555,888	801,375	1,357,263
Year ended 31 March 2019:						
Profit for the year		-	1,791,616	1,791,616	749,298	2,540,914
Other comprehensive income net of taxation:						-
Currency translation differences		-	169,051	169,051	50,315	219,366
Total comprehensive income for the year		-	1,960,667	1,960,667	799,613	2,760,280
Purchase of shares in subsidiary from non-controlling interest		-	-	-	(1,600,988)	(1,600,988)
Other movements		-	(10,093,142)	(10,093,142)	-	(10,093,142)
Balance at 31 March 2019		3,305,778	(10,882,365)	(7,576,587)	-	(7,576,587)
Year ended 31 March 2020:						
Profit for the year		-	1,692,422	1,692,422	-	1,692,422
Other comprehensive income net of taxation:						
Currency translation differences		-	(483,706)	(483,706)	-	(483,706)
Total comprehensive income for the year		-	1,208,716	1,208,716	-	1,208,716
Dividends on preference shares	12	-	(944,157)	(944,157)	-	(944,157)
Balance at 31 March 2020		3,305,778	(10,617,806)	(7,312,028)	-	(7,312,028)

APCER LIFE SCIENCES HOLDING LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Share capital £	Profit and loss reserves £	Total £
Period ended 31 March 2019:				
Profit and total comprehensive income for the period		-	-	-
Issue of share capital	24	3,305,778	-	3,305,778
Balance at 31 March 2019		<u>3,305,778</u>	<u>-</u>	<u>3,305,778</u>
Year ended 31 March 2020:				
Profit and total comprehensive income for the year		-	2,436,986	2,436,986
Dividends on preference shares	12	-	(944,157)	(944,157)
Balance at 31 March 2020		<u>3,305,778</u>	<u>1,492,829</u>	<u>4,798,607</u>

APCER LIFE SCIENCES HOLDING LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	26	2,727,095		5,026,297	
Interest paid		(362,157)		(261,769)	
Income taxes paid		(813,996)		(1,804,136)	
Net cash inflow from operating activities		1,550,942		2,960,392	
Investing activities					
Purchase of intangible assets		(6,306)		(459)	
Proceeds on disposal of intangibles		(120,140)		-	
Purchase of tangible fixed assets		(84,989)		(1,029,601)	
Proceeds on disposal of tangible fixed assets		120,140		-	
Purchase of non-controlling interest		-		(3,635,804)	
Interest received		136		-	
Net cash used in investing activities		(91,159)		(4,665,864)	
Financing activities					
Proceeds of new bank loans		-		5,547,000	
Repayment of bank loans		(1,148,659)		(3,387,732)	
Net cash movement on derivatives		16,645		-	
Dividends paid to non-controlling interests		-		(187,059)	
Net cash (used in)/generated from financing activities		(1,132,014)		1,972,209	
Net increase in cash and cash equivalents		327,769		266,737	
Cash and cash equivalents at beginning of year		994,049		507,946	
Effect of foreign exchange rates		(5,815)		219,366	
Cash and cash equivalents at end of year		1,316,003		994,049	

APCER LIFE SCIENCES HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Company information

Apcer Life Sciences Holding Limited ("the company") is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Third Floor, One London Square, Cross Lanes, Guildford, Surrey, GU1 1UN.

The group consists of Apcer Life Sciences Holding Limited and all of its subsidiaries as disclosed in note 16.

The company's and the group's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

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

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation certain financial instruments at fair value. The principal accounting policies adopted are set out below.

Reduced disclosures

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

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

APCER LIFE SCIENCES HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies (Continued)

Basis of consolidation

The consolidated financial statements incorporate those of Apcer Life Sciences Holding Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All financial statements are made up to 31 March 2020. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

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

Under the merger method of accounting, the carrying values of the entities' assets and liabilities are not adjusted to fair value. Any difference between the nominal value of shares issued plus the fair value of other consideration and the nominal value of shares received is taken to the merger reserve. Any existing balances on the share premium account or capital redemption reserve of the legal subsidiaries are shown as a movement on the merger reserve. As described in note 3, the nominal value of shares issued as part of the group reconstruction was equal to the amounts received, therefore no movement on the merger reserve has been recognised.

Going concern

The financial statements have been prepared on the going concern basis as the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of at least 12 months from the date these financial statements have been signed.

The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical areas in which the Group operates. While it is unknown how long these conditions will last and what the complete financial effect will be to the Group, the directors are aware of the risks to the business in terms of liquidity and have put in place measures to address these risks. In particular, the Group's lenders remain committed to supporting the business.

To assess the going concern assumption, the Company has prepared and considered trading and cash flow forecasts for the period covering at least 12 months from the date of approval of these financial statements. After having considered the information available to them to the date of signing the financial statements, the Directors are satisfied that the Company remains a going concern.

Reporting period

During the prior year, the company changed its accounting reference date from 28 February 2019 to 31 March 2019 in line with the rest of the group. Therefore the results for the company show a comparative period of 34 days.

Turnover

Turnover represents amounts invoiced during the year net of VAT. Turnover is recognised when services are provided.

Intangible fixed assets other than goodwill

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

APCER LIFE SCIENCES HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies (Continued)

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

Computer software	20% straight line
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The directors are of the view that the group is able to benefit from computer software for a period of no longer than 5 years due to the rate of change in technological advancements.

Tangible fixed assets

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

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

Leasehold improvements	20% straight line
Fixtures, fittings and equipment	20% straight line
IT equipment	3 - 6 years straight line
Motor vehicles	8 years straight line

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 credited or charged to profit or loss.

Fixed asset investments

In the separate accounts of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

Impairment of fixed assets

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

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

Cash and cash equivalents

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

APCER LIFE SCIENCES HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies (Continued)

Financial instruments

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

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors, cash and bank balances, and amounts due from fellow group companies are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

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

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

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

Derecognition of financial liabilities

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

APCER LIFE SCIENCES HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies (Continued)

Equity instruments

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

Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income and expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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.

APCER LIFE SCIENCES HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies (Continued)

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Leases

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

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

2 Judgements and key sources of estimation uncertainty

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

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

Key sources of estimation uncertainty

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

Valuation of company investments in subsidiaries

As described in note 3, the purchase of the shares in ALSI Holding Inc in the prior year was conducted at fair value. Management have estimated this fair value by assessing estimated future cash flows of the US business and subjecting those cash flows to an appropriate discount rate.

Provision for doubtful trade debtors

Trade debtors are stated at their nominal value less any appropriate provision for irrecoverable amounts. In determining whether provision is required management are required to make a judgement regarding the overall recoverability of the debtor. In exercising this judgement, consideration is given to specific indicators that the recovery may be in doubt. Calculating the appropriate level of provision against doubtful debts involves a key source of estimation uncertainty, namely estimating the quantum of balances irrecoverable.

APCER LIFE SCIENCES HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

3 Group reorganisation

The APCER Group was formerly headed by APCER Life Sciences Ltd, a company registered and incorporated in England and Wales. Following a reorganisation of the group during the prior year, the group is now headed by the company, Apcer Life Sciences Holding Limited.

4 Turnover and other revenue

	2020 £	2019 £
Turnover analysed by class of business		
Pharmacovigilance services	21,146,240	23,201,074
	<u>21,146,240</u>	<u>23,201,074</u>
	2020 £	2019 £
Other revenue		
Interest income	136	-
	<u>136</u>	<u>-</u>
	2020 £	2019 £
Turnover analysed by geographical market		
United Kingdom	5,148,133	5,405,217
Asia	1,485,268	1,637,087
United States of America	14,512,839	16,158,770
	<u>21,146,240</u>	<u>23,201,074</u>

5 Employees

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

	Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
Compliance	687	683	-	-
Administration	77	40	-	-
Management	5	6	-	-
	<u>769</u>	<u>729</u>	<u>-</u>	<u>-</u>

APCER LIFE SCIENCES HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

5 Employees (Continued)

Their aggregate remuneration comprised:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Wages and salaries	12,104,368	10,757,069	-	-
Social security costs	427,635	568,480	-	-
Pension costs	27,932	43,582	-	-
	<u>12,559,935</u>	<u>11,369,131</u>	<u>-</u>	<u>-</u>

6 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	424,709	412,994
Company pension contributions to defined contribution schemes	2,193	1,210
	<u>426,902</u>	<u>414,204</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2019 - 1).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2020 £	2019 £
Remuneration for qualifying services	228,807	240,000
Company pension contributions to defined contribution schemes	2,193	1,210
	<u>230,999</u>	<u>241,210</u>

The company directors are remunerated through other group companies and are considered to be the group's key management personnel.

7 Operating profit

	2020 £	2019 £
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(101,639)	36,619
Depreciation of owned tangible fixed assets	424,542	394,136
Amortisation of intangible assets	14,715	31,567
Operating lease charges	<u>850,105</u>	<u>853,956</u>

APCER LIFE SCIENCES HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

8 Auditor's remuneration

	2020	2019
	£	£
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the financial statements of the group and company	24,050	22,500
Audit of the financial statements of the company's subsidiaries	25,700	24,250
	<u>49,750</u>	<u>46,750</u>
For other services		
Taxation compliance services	6,325	5,250
Other taxation services	-	20,290
All other non-audit services	13,950	74,250
	<u>20,275</u>	<u>99,790</u>

In the prior year £25,000 of other non-audit services, and £20,290 of other taxation services, related to legal and tax advice in relation to the group reorganisation in the prior year.

Auditors remuneration in respect of the company is borne by other members of the group.

9 Interest receivable and similar income

	2020	2019
	£	£
Interest income		
Interest on bank deposits	136	-

10 Interest payable and similar expenses

	2020	2019
	£	£
Interest on bank overdrafts and loans	349,062	257,255
Other interest	12,968	4,514
	<u>362,030</u>	<u>261,769</u>

APCER LIFE SCIENCES HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

11 Taxation

	2020 £	2019 £
Current tax		
UK corporation tax on profits for the current period	84,103	8,988
Adjustments in respect of prior periods	(25,971)	(6,165)
Total UK current tax	58,132	2,823
Foreign current tax on profits for the current period	556,916	1,890,802
Adjustments in foreign tax in respect of prior periods	-	30,255
Total current tax	615,048	1,923,880
Deferred tax		
Origination and reversal of timing differences	(164,187)	(73,908)
Changes in tax rates	1,033	-
Adjustment in respect of prior periods	-	123
Total deferred tax	(163,154)	(73,785)
Total tax charge	451,894	1,850,095

The total tax charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2020 £	2019 £
Profit before taxation	2,144,316	4,391,009
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	407,420	834,292
Tax effect of expenses that are not deductible in determining taxable profit	68,806	424,280
Tax effect of income not taxable in determining taxable profit	(8,578)	-
Adjustments in respect of prior years	(25,971)	(6,165)
Permanent capital allowances in excess of depreciation	-	5,065
Other permanent differences	9,211	-
Foreign tax in excess of UK Tax rate	-	571,324
Deferred tax not recognised	(24)	(18,503)
Foreign tax credits	-	39,802
Remeasurement of deferred tax for changes in tax rate	1,030	-
Taxation charge	451,894	1,850,095

Deferred tax is calculated based on an expected future tax rate of 19% in the UK, effective from 1 April 2020, as this is the rate expected to apply when the majority of the liability or asset is settled.

APCER LIFE SCIENCES HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

12 Dividends

	2020 £	2019 £
Interim payable on preference shares	944,157	-

Preference dividends were declared and approved during the year. No fixed timeline is in place on the payment of these.

13 Intangible fixed assets

Group	Computer software £
Cost	
At 1 April 2019	1,016,549
Additions - separately acquired	6,306
Transfers	307,171
Exchange adjustments	1,746
At 31 March 2020	1,331,772
Amortisation and impairment	
At 1 April 2019	802,493
Amortisation charged for the year	14,715
Transfers	187,031
At 31 March 2020	1,004,239
Carrying amount	
At 31 March 2020	327,533
At 31 March 2019	214,056

The company had no intangible fixed assets at 31 March 2020 or 31 March 2019.

The group has intangible assets of £138,000, (2019: £138,000) which are not amortised on the basis that the asset is not currently in use by the group.

The amortisation charge for the year is recognised within administrative expenses.

APCER LIFE SCIENCES HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

14 Tangible fixed assets

Group	Leasehold improvements	Fixtures, fittings and equipment	IT equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2019	1,498,033	974,639	972,671	34,274	3,479,617
Additions	21,885	2,992	60,112	-	84,989
Transfers	-	-	(307,171)	-	(307,171)
Exchange adjustments	(54,917)	(7,116)	(37,325)	(1,238)	(100,596)
At 31 March 2020	1,465,001	970,515	688,287	33,036	3,156,839
Depreciation and impairment					
At 1 April 2019	130,156	678,457	554,499	15,600	1,378,712
Depreciation charged in the year	160,409	72,134	187,917	4,082	424,542
Transfers	-	-	(187,031)	-	(187,031)
Exchange adjustments	(10,530)	2,067	(26,860)	(712)	(36,035)
At 31 March 2020	280,035	752,658	528,525	18,970	1,580,188
Carrying amount					
At 31 March 2020	1,184,966	217,857	159,762	14,066	1,576,651
At 31 March 2019	1,367,877	296,182	418,172	18,674	2,100,905

The company had no tangible fixed assets at 31 March 2020 or 31 March 2019.

15 Fixed asset investments

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Investments in subsidiaries	16	-	-	16,382,701	16,382,701

APCER LIFE SCIENCES HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

15 Fixed asset investments (Continued)

Movements in fixed asset investments Company

	Shares in group undertakings £
Cost	
At 1 April 2019 and 31 March 2020	16,382,701
Carrying amount	
At 31 March 2020	16,382,701
At 31 March 2019	16,382,701

Investments are stated at cost. Nothing has come to the Directors attention that indicates that the recoverable amount of the investments is lower than the carrying amount, therefore no impairment has been recognised.

16 Subsidiaries

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

Name of undertaking	Registered office key	Nature of business	Class of shares held	% Held	
				Direct	Indirect
APCER Life Sciences Ltd.	1	Pharmacovigilance services	Ordinary	100.00	-
ALSI Holding Inc.	2	Holding company	Ordinary	100.00	-
APCER Life Sciences Inc.	3	Pharmacovigilance services	Ordinary	-	100.00
APCER Life Sciences Limited	4	Pharmacovigilance services	Ordinary	-	100.00
APCER Life Sciences India Limited	5	Pharmacovigilance services	Ordinary	-	99.99

Registered Office addresses:

- 1 Third Floor, One London Square, Cross Lanes, Guildford, Surrey, United Kingdom, GU1 1UN
- 2 16192 Coastal Highway, Lewes, DE 19958, County of Sussex, Delaware
- 3 16192 Coastal Highway, Lewes, DE 19958, County of Sussex, Delaware
- 4 Unit 1003 Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wan Chai, Hong Kong
- 5 G-040, Vikas Centre, 106, S.V. Road, Santa Cruz - West, Mumbai - 400054

APCER LIFE SCIENCES HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

16 Subsidiaries (Continued)

During the prior year the group acquired the 30% non-controlling interest in Apcer Life Sciences Inc.

All subsidiaries have a coterminous accounting reference date with that of the company, prepare accounts to 31 March and use merger accounting.

17 Debtors

	Group 2020 £	2019 £	Company 2020 £	2019 £
Amounts falling due within one year:				
Trade debtors	4,133,310	4,121,510	-	-
Corporation tax recoverable	339,550	81,455	-	-
Derivative financial instruments	114,645	-	-	-
Dividends receivable			944,157	-
Other debtors	1,505,270	1,214,257	-	-
Prepayments and accrued income	721,696	431,562	-	-
	<u>6,814,471</u>	<u>5,848,784</u>	<u>944,157</u>	<u>-</u>
Deferred tax asset (note 22)	267,083	89,696	-	-
	<u>7,081,554</u>	<u>5,938,480</u>	<u>944,157</u>	<u>-</u>
Amounts falling due after more than one year:				
Deferred tax asset (note 22)	188	6,800	-	-
	<u>188</u>	<u>6,800</u>	<u>-</u>	<u>-</u>
Total debtors	<u>7,081,742</u>	<u>5,945,280</u>	<u>944,157</u>	<u>-</u>

18 Creditors: amounts falling due within one year

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Bank loans and overdrafts	20	2,508,389	2,948,181	-	-
Trade creditors		724,282	844,658	-	-
Amounts owed to group undertakings		-	-	11,584,094	13,076,923
Corporation tax payable		118,543	53,460	-	-
Other taxation and social security		363,081	7,983	-	-
Dividends payable		944,157	-	944,157	-
Other creditors		3,607,979	603,841	-	-
Accruals and deferred income		1,434,284	1,337,800	-	-
		<u>9,700,715</u>	<u>5,795,923</u>	<u>12,528,251</u>	<u>13,076,923</u>

APCER LIFE SCIENCES HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

18 Creditors: amounts falling due within one year (Continued)

Amounts due to group undertakings comprise of unsecured, interest free loan notes payable to APCER Life Sciences Ltd less any dividends receivable. The amount is repayable on demand.

19 Creditors: amounts falling due after more than one year

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Bank loans and overdrafts	20	2,252,182	2,961,049	-	-
Other creditors		5,643,796	8,058,326	-	-
		<u>7,895,978</u>	<u>11,019,375</u>	<u>-</u>	<u>-</u>

The other creditors balance shown above initially has an interest free period after which it accrues interest at 5% per annum. The balance can be repaid, at the company's option, at any time, but in any event in installments by March 2023.

20 Borrowings

	Group 2020 £	2019 £	Company 2020 £	2019 £
Bank loans	4,760,571	5,909,230	-	-
Payable within one year	2,508,389	2,948,181	-	-
Payable after one year	2,252,182	2,961,049	-	-

The above amounts are shown net of any unamortised debt issue costs.

Revolving credit facility

The group has a revolving credit facility with Clydesdale Bank PLC and drew down an amount of £nil (2019: £1,664,100) during the year. An amount of £1,689,771 (2019: £1,664,100) is included within bank loans falling due within one year. This facility is secured in favour of Clydesdale Bank PLC over certain assets of the APCER group. The loan bears interest at a rate which fluctuates in line with LIBOR. At the year end the rate was 4.43% (2019: 4.18%).

Facility A

During the year the group drew down £Nil (2019: £3,882,900) on its "Facility A" with Clydesdale Bank Plc. As at the year end an amount of £3,000,973 (2019: £3,882,900) remained outstanding. The loan is repayable in quarterly instalments until March 2024 and bears interest at a rate which fluctuates in line with LIBOR. At the year end the rate was 4.29% (2019: 4.18%). This loan is secured via fixed and floating charges, in favour of Clydesdale Bank PLC, over certain assets of the group. Furthermore, the APCER group has bank guarantees in respect of certain potential future obligations with Clydesdale Bank PLC.

Invoice discounting facility

There is an invoice discounting facility in place. At the year end this consists of a net balance due from the group of £68,825 (2019: £733,640) which is included in bank loans and overdrafts due within one year. This facility is secured by certain trade debtors of the APCER group in favour of Clydesdale Bank PLC.

APCER LIFE SCIENCES HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

21 Financial instruments

	Group 2020 £	2019 £	Company 2020 £	2019 £
Carrying amount of financial assets				
Instruments measured at fair value through profit or loss	114,645	-	-	-

22 Deferred taxation

The major deferred tax liabilities and assets recognised by the group and company are:

	Liabilities 2020 £	Liabilities 2019 £	Assets 2020 £	Assets 2019 £
Group				
Accelerated capital allowances	17,264	15,579	-	-
Short term timing differences	-	-	267,271	96,496
	17,264	15,579	267,271	96,496

The company has no deferred tax assets or liabilities.

	Group 2020 £	Company 2020 £
Movements in the year:		
Liability/(asset) at 1 April 2019	(80,917)	-
Credit to profit or loss	(169,090)	-
Liability/(asset) at 31 March 2020	(250,007)	-

The deferred tax asset set out above is expected to reverse within 12 months and relates to short term timing differences. The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

23 Retirement benefit schemes

	2020 £	2019 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	27,932	43,582

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

Contributions totalling £989 (2019: £nil) were payable to the scheme at the end of the year and are included within creditors falling due within one year.

APCER LIFE SCIENCES HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

24 Share capital

	Group and company	
	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
105,778 'A Ordinary' shares of £1 each	105,778	105,778
	<u> </u>	<u> </u>
Preference share capital		
Issued and fully paid		
3,200,000 'A Preference' shares of £1 each	3,200,000	3,200,000
	<u> </u>	<u> </u>

'A Ordinary' shares have full voting, dividend and capital distribution rights.

'A Preference' shares entitle the holders to a fixed cumulative dividend of 5% per annum payable at the discretion of the company and where sufficient reserves are available. The shares do not have any voting rights and are redeemable at the discretion of the company at any time.

25 Reserves

Profit and loss reserves

The profit and loss reserves for the group represents cumulative profit and loss and foreign exchange differences on translation of foreign subsidiaries net of distributions to owners. Profit and loss reserves for the company represents cumulative profit and loss net of distributions to owners.

26 Cash generated from group operations

	2020	2019
	£	£
Profit for the year after tax	1,692,422	2,540,914
Adjustments for:		
Taxation charged	451,894	1,850,095
Finance costs	362,030	261,769
Investment income	(136)	-
Fair value gains and losses on foreign exchange contracts	(131,290)	-
Amortisation and impairment of intangible assets	14,715	31,567
Depreciation and impairment of tangible fixed assets	424,542	394,136
Foreign exchange gains on cash equivalents	(415,076)	(35,120)
Movements in working capital:		
(Increase)/decrease in debtors	(592,947)	1,094,628
Increase/(decrease) in creditors	920,941	(1,111,692)
	<u> </u>	<u> </u>
Cash generated from operations	2,727,095	5,026,297
	<u> </u>	<u> </u>

APCER LIFE SCIENCES HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

27 Analysis of changes in net debt - group

	1 April 2019	Cash flows	Exchange rate movements	31 March 2020
	£	£	£	£
Cash at bank and in hand	994,049	327,769	(5,815)	1,316,003
Borrowings excluding overdrafts	(5,909,230)	1,148,659	-	(4,760,571)
	<u>(4,915,181)</u>	<u>1,476,428</u>	<u>(5,815)</u>	<u>(3,444,568)</u>

28 Operating lease commitments

Lessee

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

	Group 2020 £	2019 £	Company 2020 £	2019 £
Within one year	857,258	797,984	-	-
Between one and five years	2,939,006	3,494,040	-	-
In over five years	269,159	658,857	-	-
	<u>4,065,423</u>	<u>4,950,881</u>	<u>-</u>	<u>-</u>

29 Events after the reporting date

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical areas in which the Group operates. While it is unknown how long these conditions will last and what the complete financial effect will be to the Group, to date, the Group has not experienced a significant decline in its operations. The markets or geographic areas in which the Group conducts operations make it reasonably possible that the Group is vulnerable to the risk of a near-term negative impact. The Group considers the emergence and spread of coronavirus to be a non-adjusting post balance sheet event. Given the inherent uncertainties, it is not practicable at this time to determine the impact of coronavirus on the Group or to provide a quantitative estimate of this impact.

APCER LIFE SCIENCES HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

30 Related party transactions

Other related party transactions

During the year the Group had the following transactions with related parties:

With non 100% owned fellow subsidiary undertakings:

- Purchase of goods and services totalling £10,031,618 (2019: £8,594,580)

At 31 March 2020, amounts due to non 100% owned fellow subsidiary undertakings from other group companies was £2,058,307 (2019: £579,143).

With entities under common control:

- Management charges of £180,000 (2019: £120,000).

At 31 March 2020, there was a balance due from entities under common control amounting to £849,331 (2019: £743,553), which is included within other debtors.

Others transactions:

During the year, APCER Life Sciences LTD made purchases for services from a related party, being a close family member of a director of the company, totalling £28,080 (2019: £33,020). At the 31 March 2020 APCER Life Sciences LTD owed £Nil (2019: £Nil) to the related party.

31 Controlling party

The ultimate controlling party of the group and company is R N Menon throughout the current and previous year by virtue of being the majority shareholder.