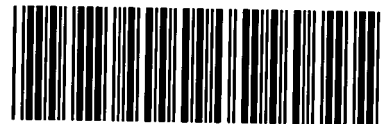


Company Registration No. 11848606 (England and Wales)

APCER LIFE SCIENCES HOLDING LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2023

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APCER LIFE SCIENCES HOLDING LIMITED

COMPANY INFORMATION

Directors	Dr V Kacker J F Kiley 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 2023

The directors present the group strategic report and financial statements for the year ended 31 March 2023.

Fair review of the business and future developments

APCER is now into its sixteenth 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. Our continued close partnership with technology partners aims 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 addresses aspirations on career growth, learning and enhancing technical competence of the employees.

The current year witnessed a revenue growth of 20% over the previous year. Our continued investment in sales and marketing and a mix of increment in volumes from some existing clients has been the key driver for the higher turnover. The growth in revenue, and resulting operating leverage, together with increased productivity has continued to increase profitability, leading to an increase in gross profit and EBITDA (earnings before interest, tax, depreciation and amortisation) by 25% and 38% respectively on the previous year. The group continues to have sufficient access to liquidity via a combination of cash and committed facilities. 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 war in Europe has caused an increase in inflation which may increase the cost within the business. The group has taken measures to work with its customers to mitigate the impact of increased costs. The effect of coronavirus (COVID-19) has been diminishing across the world. APCER has navigated a broad range of interrelated issues that span keeping our employees safe, ensuring sufficient cash and liquidity, and enabling the workforce to successfully adapt to a hybrid model that straddles remote and on premise working. 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 continue to successfully work with our committed partners based in mainland Europe to mitigate the impact of Brexit.

Key performance indicators

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

	2023	2022
Turnover	£29,183,950	£24,387,673
Gross profit	£15,910,656	£12,686,174
Gross profit margin	55%	52%
EBITDA	£7,762,208	£5,633,433

On behalf of the board

Vineet Kacker

Dr V Kacker

Director

Date: 26/09/23

APCER LIFE SCIENCES HOLDING LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present their group annual report and group financial statements for the year ended 31 March 2023.

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.

Results and dividends

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

The amounts payable in respect of preference share dividends declared during the year amounted to £561,688 (2022: £550,623) and preference share dividends still payable at the year end amounted to £561,688 (2022: £550,623). No fixed timeline is in place on the payment of these. The directors do not recommend payment of a final dividend.

Preference shares

The company has outstanding redeemable preference shares of £3,800,000 payable at the year end. Preference shares amounting to £3,173,556 were redeemed in May 2023.

Directors

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

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

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.

Principal risks and uncertainties

Consistent with the complexities of the business, the directors continue to monitor and manage all principal risks and uncertainties to ensure the group's objectives are achieved. The directors consider the main risks to the group are:

Liquidity risk

Liquidity risk has been mitigated by putting in place a term loan, appropriate levels of invoice financing and a revolving credit facility. All of which are also in place to supplement internal cash generation and meet liquidity requirements across the group. The group also restructured its finance needs in May 2023 by way of a refinancing deal with the group's bankers. 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 2023

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 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.

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.

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.

Going concern

The financial statements have been prepared on the going concern basis as the directors have a reasonable expectation that the group 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.

To assess the going concern assumption, the group 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 group and company remains a going concern.

On behalf of the board

Vineet Kacker

Dr V Kacker
Director

Date: 26/09/23

APCER LIFE SCIENCES HOLDING LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

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; and
- 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 2023 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 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 of the parent company's affairs as at 31 March 2023 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

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

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

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

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 contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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 or the directors' report.

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

- adequate accounting records have not been kept 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 4, 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses, and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team and component auditors:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

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

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, reviewing tax computations and evaluating advice received from external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to applicable directives issued by relevant regulatory authorities. We performed audit procedures to inquire of management whether the group is in compliance with these law and regulations.

The group audit engagement team identified the risk of management override of controls and revenue recognition as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and agreeing revenue transactions to supporting documentation and reviewing revenue around the year end to ensure recognised in the correct accounting period.

All relevant laws and regulations identified at a Group level and areas susceptible to fraud that could have a material effect on the consolidated financial statements were communicated to component auditors. Any instances of non-compliance with laws and regulations identified and communicated by a component auditor were considered in our group audit approach.

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

Use of our report

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

Suneel Gupta

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

26/09/23

APCER LIFE SCIENCES HOLDING LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
Turnover	3	29,183,950	24,387,673
Cost of sales		(13,273,294)	(11,701,499)
Gross profit		15,910,656	12,686,174
Administrative expenses		(8,316,966)	(7,504,067)
Operating profit	6	7,593,690	5,182,107
Interest payable and similar expenses	8	(362,914)	(507,104)
Fair value gains and losses on foreign exchange contracts		(208,391)	126,680
Profit before taxation		7,022,385	4,801,683
Tax on profit	9	(1,866,327)	(1,335,937)
Profit for the financial year		5,156,058	3,465,746
Other comprehensive income net of taxation			
Currency translation differences		(407,567)	(2,283)
Total comprehensive income for the year		4,748,491	3,463,463

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

APCER LIFE SCIENCES HOLDING LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2023**

	Notes	2023 £	£	2022 £	£
Fixed assets					
Intangible assets	11	585,009		477,914	
Tangible assets	12	1,018,412		1,117,733	
		<u>1,603,421</u>		<u>1,595,647</u>	
Current assets					
Debtors	15	5,847,124		6,379,605	
Cash at bank and in hand		1,000,415		955,104	
		<u>6,847,539</u>		<u>7,334,709</u>	
Creditors: amounts falling due within one year	16	<u>(6,063,741)</u>		<u>(9,967,782)</u>	
Net current assets/(liabilities)		<u>783,798</u>		<u>(2,633,073)</u>	
Total assets less current liabilities		<u>2,387,219</u>		<u>(1,037,426)</u>	
Creditors: amounts falling due after more than one year	17	-		(801,418)	
Provisions for liabilities	20	<u>(108,060)</u>		<u>(68,800)</u>	
Net assets/(liabilities)		<u>2,279,159</u>		<u>(1,907,644)</u>	
Capital and reserves					
Called up share capital	22	3,305,778		3,305,778	
Profit and loss reserves	23	<u>(1,026,619)</u>		<u>(5,213,422)</u>	
Total equity		<u>2,279,159</u>		<u>(1,907,644)</u>	

The financial statements were approved by the board of directors and authorised for issue on 26/09/23 and are signed on its behalf by:

Vineet Kacker

Dr V Kacker
Director

APCER LIFE SCIENCES HOLDING LIMITED**COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2023**

	Notes	2023 £	£	2022 £	£
Fixed assets					
Investments	13	16,382,701		16,382,701	
Current assets					
Debtors	15	3,800,000		550,623	
Cash at bank and in hand		150		150	
		<u>3,800,150</u>		<u>550,773</u>	
Creditors: amounts falling due within one year	16	<u>(9,861,247)</u>		<u>(9,850,182)</u>	
Net current liabilities			<u>(6,061,097)</u>		<u>(9,299,409)</u>
Total assets less current liabilities			<u>10,321,604</u>		<u>7,083,292</u>
Capital and reserves					
Called up share capital	22	3,305,778		3,305,778	
Profit and loss reserves	23	7,015,826		3,777,514	
Total equity			<u>10,321,604</u>		<u>7,083,292</u>

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 financial statements. The company's profit for the year was £3,800,000 (2022: £2,835,308).

The financial statements were approved by the board of directors and authorised for issue on 26/09/23 and are signed on its behalf by:

Vineet Kacker

Dr.V.Kacker

Director

APCER LIFE SCIENCES HOLDING LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 April 2021		3,305,778	(8,126,262)	(4,820,484)
Year ended 31 March 2022:				
Profit for the year		-	3,465,746	3,465,746
Other comprehensive income net of taxation:				
Currency translation differences		-	(2,283)	(2,283)
Total comprehensive income for the year		-	3,463,463	3,463,463
Dividends on preference shares	10	-	(550,623)	(550,623)
Balance at 31 March 2022		3,305,778	(5,213,422)	(1,907,644)
Year ended 31 March 2023:				
Profit for the year		-	5,156,058	5,156,058
Other comprehensive income net of taxation:				
Currency translation differences		-	(407,567)	(407,567)
Total comprehensive income for the year		-	4,748,491	4,748,491
Dividends on preference shares	10	-	(561,688)	(561,688)
Balance at 31 March 2023		3,305,778	(1,026,619)	2,279,159

APCER LIFE SCIENCES HOLDING LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 April 2021		3,305,778	1,492,829	4,798,607
Year ended 31 March 2022:				
Profit and total comprehensive income for the year		-	2,835,308	2,835,308
Dividends on preference shares	10	-	(550,623)	(550,623)
Balance at 31 March 2022		3,305,778	3,777,514	7,083,292
Year ended 31 March 2023:				
Profit and total comprehensive income for the year		-	3,800,000	3,800,000
Dividends on preference shares	10	-	(561,688)	(561,688)
Balance at 31 March 2023		3,305,778	7,015,826	10,321,604

APCER LIFE SCIENCES HOLDING LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations	24	7,877,647		5,925,614	
Income taxes paid		(1,625,610)		(1,539,119)	
Net cash inflow from operating activities		<u>6,252,037</u>		<u>4,386,495</u>	
Investing activities					
Purchase of intangible assets		(197,583)		(279,173)	
Purchase of tangible fixed assets		(216,384)		(219,138)	
Proceeds on disposal of tangible fixed assets		10,927		7,079	
Purchase of non-controlling interest		(2,707,572)		(2,394,763)	
Net cash used in investing activities		<u>(3,110,612)</u>		<u>(2,885,995)</u>	
Financing activities					
Net (repayment)/proceeds of bank loans		(2,091,392)		543,202	
Proceeds from/(purchase of) derivatives		(148,584)		66,873	
Interest paid		(305,515)		(413,250)	
Dividends paid to preference shareholders		(550,623)		(1,278,339)	
Net cash used in financing activities		<u>(3,096,114)</u>		<u>(1,081,514)</u>	
Net increase in cash and cash equivalents		<u>45,311</u>		<u>418,986</u>	
Cash and cash equivalents at beginning of year		<u>955,104</u>		<u>536,118</u>	
Cash and cash equivalents at end of year		<u><u>1,000,415</u></u>		<u><u>955,104</u></u>	

APCER LIFE SCIENCES HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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 14.

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 including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

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.

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 2023. 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.

APCER LIFE SCIENCES HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

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 of signing of these financial statements.

To assess the going concern assumption, the group 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 group and company remains a going concern.

Turnover

Turnover represents amounts invoiced 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.

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	3 - 6 years 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.

Any assets in development are not amortised until they are in use.

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 or over the lease period
Fixtures, fittings and equipment	10% - 20% straight line
IT equipment	3 - 6 years straight line
Motor vehicles	8 years straight line

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

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 financial statements 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.

APCER LIFE SCIENCES HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

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 group 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 and other short-term liquid investments with original maturities of three months or less.

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 and cash and bank balances 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.

APCER LIFE SCIENCES HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

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 amounts owed from group undertakings, 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.

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.

APCER LIFE SCIENCES HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

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.

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.

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.

APCER LIFE SCIENCES HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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.

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.

Determining residue values and useful economic lives of tangible fixed assets

The group depreciates leasehold improvements, fixtures and fittings, IT equipment and motor vehicles over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles, lease terms and maintenance programmes.

Impairment of investments in of subsidiary undertakings

Investments in subsidiaries are subject to impairment reviews based on whether current or future events and circumstances suggest that their recoverable amount may be less than their carrying value. Recoverable amount is based on the higher of the value in use and fair value less costs to dispose. The board has reviewed the recoverability of the investment and has not determined that an impairment is required.

3 Turnover and other revenue

	2023 £	2022 £
Turnover analysed by class of business		
Pharmacovigilance services	29,183,950	24,387,673
	<u>29,183,950</u>	<u>24,387,673</u>
	2023 £	2022 £
Turnover analysed by geographical market		
United Kingdom	6,889,130	5,281,874
United States of America	19,873,596	16,908,423
Europe	1,074,908	1,280,510
Rest of the World	1,346,316	916,866
	<u>29,183,950</u>	<u>24,387,673</u>

APCER LIFE SCIENCES HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

4 Employees

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

	Group 2023 Number	2022 Number	Company 2023 Number	2022 Number
Compliance	754	783	-	-
Administration	76	72	-	-
Management	3	3	-	-
Total	833	858	-	-

Their aggregate remuneration comprised:

	Group 2023 £	2022 £	Company 2023 £	2022 £
Wages and salaries	12,540,415	11,436,732	-	-
Social security costs	388,160	428,163	-	-
Pension costs	69,396	67,193	-	-
	12,997,971	11,932,088	-	-

5 Directors' remuneration

	2023 £	2022 £
Remuneration for qualifying services	461,634	240,348
Company pension contributions to defined contribution schemes	3,522	3,522
	465,156	243,870

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2022 - 1).

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

	2023 £	2022 £
Remuneration for qualifying services	252,476	240,348
Company pension contributions to defined contribution schemes	3,522	3,522

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

APCER LIFE SCIENCES HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

6 Operating profit

	2023 £	2022 £
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	(160,620)	35,640
Depreciation of owned tangible fixed assets	312,879	266,456
(Profit)/loss on disposal of tangible fixed assets	(7,094)	13,389
Amortisation of intangible assets	64,030	58,190
Loss on disposal of intangible assets	-	17,534
Operating lease charges	555,718	516,160

7 Auditor's remuneration

	2023 £	2022 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	30,500	28,845
Audit of the financial statements of the company's subsidiaries	34,000	28,300
	<u>64,500</u>	<u>57,145</u>
For other services		
Taxation compliance services	9,100	8,100
All other non-audit services	21,350	15,375
	<u>30,450</u>	<u>23,475</u>

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

8 Interest payable and similar expenses

	2023 £	2022 £
Interest on bank loans	169,619	213,726
Interest on other loans	135,896	199,516
Other finance costs	57,399	93,862
Total finance costs	<u>362,914</u>	<u>507,104</u>

APCER LIFE SCIENCES HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

9 Taxation

	2023 £	2022 £
Current tax		
UK corporation tax on profits for the current period	143,921	196,815
Adjustments in respect of prior periods	(8,480)	(482)
Total UK current tax	135,441	196,333
Foreign current tax on profits for the current and prior period	1,656,080	1,295,504
Total current tax	1,791,521	1,491,837
Deferred tax		
Origination and reversal of timing differences	68,686	(158,714)
Changes in tax rates	6,120	2,814
Total deferred tax	74,806	(155,900)
Total tax charge	1,866,327	1,335,937

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:

	2023 £	2022 £
Profit before taxation	7,022,385	4,801,683
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	1,334,253	912,320
Tax effect of expenses that are not deductible in determining taxable profit	4,156	163,926
Tax effect of income not taxable in determining taxable profit	539,607	497,253
Adjustments in respect of prior years	(8,480)	(482)
Double tax relief	-	(260,790)
Deferred tax adjustments in respect of prior years	6,120	-
Deferred tax not recognised	(6,250)	6,251
Other adjustments	(6,865)	2,952
Remeasurement of deferred tax for changes in tax rate	9,206	14,876
Fixed asset timing differences	(5,420)	(369)
Taxation charge	1,866,327	1,335,937

In the budget on 3 March 2021, the UK Government announced an increase in the main UK corporation tax rate from 19% to 25% with effect from 1 April 2023. The change in rate was substantively enacted on 24 May 2021. Deferred tax assets and liabilities at 31 March 2023 have been measured using these tax rates.

APCER LIFE SCIENCES HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

10 Dividends

	2023 £	2022 £
Recognised as distributions to preference shareholders:		
Interim declared on preference shares	561,688	550,623

Preference dividends were declared and approved during the year. There are no fixed repayment terms to settle preference dividends which are outstanding at the year end date.

Preference share dividends paid during the year totalled £550,623 (2022: £1,278,339).

11 Intangible fixed assets

Group	Computer software £
Cost	
At 1 April 2022	1,421,574
Additions	197,583
Exchange adjustments	(30,480)
At 31 March 2023	1,588,677
Amortisation and impairment	
At 1 April 2022	943,660
Amortisation charged for the year	64,030
Exchange adjustments	(4,022)
At 31 March 2023	1,003,668
Carrying amount	
At 31 March 2023	585,009
At 31 March 2022	477,914

The company had no intangible fixed assets at 31 March 2023 or 31 March 2022.

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 2023

12 Tangible fixed assets

Group	Leasehold improvements	Fixtures, fittings and equipment	IT equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2022	1,381,598	921,731	680,621	31,155	3,015,105
Additions	-	11,604	204,780	-	216,384
Disposals	-	(39,715)	-	(31,901)	(71,616)
Exchange adjustments	(33,891)	29,929	(26,681)	746	(29,897)
At 31 March 2023	1,347,707	923,549	858,720	-	3,129,976
Depreciation and impairment					
At 1 April 2022	555,902	834,578	481,603	25,289	1,897,372
Depreciation charged in the year	149,398	55,780	103,954	3,747	312,879
Eliminated in respect of disposals	-	(38,141)	-	(29,642)	(67,783)
Exchange adjustments	(20,710)	5,531	(16,331)	606	(30,904)
At 31 March 2023	684,590	857,748	569,226	-	2,111,564
Carrying amount					
At 31 March 2023	663,117	65,801	289,494	-	1,018,412
At 31 March 2022	825,696	87,153	199,018	5,866	1,117,733

The company had no tangible fixed assets at 31 March 2023 or 31 March 2022.

13 Fixed asset investments

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Investments in subsidiaries	14	-	-	16,382,701	16,382,701

APCER LIFE SCIENCES HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

13 Fixed asset investments (Continued)

Movements in fixed asset investments Company

	Shares in group undertakings £
Cost or valuation	
At 1 April 2022 and 31 March 2023	16,382,701
Carrying amount	
At 31 March 2023	16,382,701
At 31 March 2022	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.

14 Subsidiaries

Details of the company's subsidiaries at 31 March 2023 are as follows:

Name of undertaking	Address	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 (all UK unless otherwise indicated):

- 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, United States of America
- 3 16192 Coastal Highway, Lewes, DE 19958, County of Sussex, Delaware, United States of America
- 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, Maharashtra, India

All subsidiaries have a coterminous accounting reference date with that of the parent company and prepare financial statements to 31 March.

APCER LIFE SCIENCES HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

15 Debtors

	Group 2023	2022	Company 2023	2022
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	4,113,369	4,935,226	-	-
Corporation tax recoverable	-	28,759	-	-
Derivative financial instruments	-	59,807	-	-
Other debtors	529,258	452,935	3,800,000	550,623
Prepayments and accrued income	959,909	632,522	-	-
	5,602,536	6,109,249	3,800,000	550,623
Deferred tax asset (note 20)	112,107	132,637	-	-
	5,714,643	6,241,886	3,800,000	550,623
Amounts falling due after more than one year:				
Deferred tax asset (note 20)	132,481	137,719	-	-
Total debtors	5,847,124	6,379,605	3,800,000	550,623

16 Creditors: amounts falling due within one year

	Notes	Group 2023	2022	Company 2023	2022
		£	£	£	£
Bank loans	18	1,332,904	2,565,479	-	-
Trade creditors		1,573,660	901,398	-	-
Amounts owed to group undertakings		-	-	9,299,559	9,299,559
Corporation tax payable		205,579	58,649	-	-
Other taxation and social security		483,196	439,548	-	-
Dividends payable		561,688	550,623	561,688	550,623
Other creditors		638,805	3,663,467	-	-
Accruals and deferred income		1,267,909	1,788,618	-	-
		6,063,741	9,967,782	9,861,247	9,850,182

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

17 Creditors: amounts falling due after more than one year

	Notes	Group 2023	2022	Company 2023	2022
		£	£	£	£
Bank loans and overdrafts	18	-	801,418	-	-

APCER LIFE SCIENCES HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

18 Borrowings

	Group 2023 £	2022 £	Company 2023 £	2022 £
Bank loans	1,332,904	3,366,897	-	-
Payable within one year	1,332,904	2,565,479	-	-
Payable after one year	-	801,418	-	-

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 repaid an amount of £200,000 (2022: £Nil) during the year. The bank loans falling due within one year includes an amount of £5,745 (2022: £200,000) relating to the revolving credit facility. This facility is secured in favour of Clydesdale Bank PLC over certain assets of the APCER group. The interest rate on the loan was linked to the Bank of England Base rate.

Facility Term Loan A

As at the year end, the group has an amount of £817,455 (2022: £1,634,907) outstanding on its Facility A with Clydesdale Bank Plc. The loan is repayable in quarterly instalments until March 2024 and bears interest at a rate which fluctuates in line with the Base Rate. The interest rate on the loan was linked to the Bank of England Base rate. This loan is secured via fixed and floating charges, in favour of Clydesdale Bank PLC, over certain assets of the APCER group.

Invoice discounting facility

The group has an invoice discounting facility in place. At the year end, this consists of a balance due from the invoice discounting company of £509,704 (2022: £1,583,974) which 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.

19 Financial instruments

	Group 2023 £	2022 £	Company 2023 £	2022 £
Carrying amount of financial assets				
Instruments measured at fair value through profit or loss	-	59,807	-	-

APCER LIFE SCIENCES HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

20 Deferred taxation

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

Group	Liabilities 2023 £	Liabilities 2022 £	Assets 2023 £	Assets 2022 £
Fixed asset timing differences	108,060	68,800	40,879	(60,317)
Short term timing differences	-	-	203,709	330,673
	<u>108,060</u>	<u>68,800</u>	<u>244,588</u>	<u>270,356</u>

The company has no deferred tax assets or liabilities.

	Group 2023 £	Company 2023 £
Movements in the year:		
Asset at 1 April 2022	(201,556)	-
Charge to profit or loss	65,028	-
Asset at 31 March 2023	<u>(136,528)</u>	<u>-</u>

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.

21 Retirement benefit schemes

	2023 £	2022 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>69,396</u>	<u>67,193</u>

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 £6,379 (2022: £6,025) 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 2023

22 Share capital

	Group and Company			
	2023	2022	2023	2022
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
'A Ordinary' shares of £1 each	105,778	105,778	105,778	105,778
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Preference share capital				
Issued and fully paid				
'A Preference' shares of £1 each	3,200,000	3,200,000	3,200,000	3,200,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Preference shares classified as equity			3,200,000	3,200,000
			<u> </u>	<u> </u>
Total equity share capital			3,305,778	3,305,778
			<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 15% 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.

23 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.

APCER LIFE SCIENCES HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

24 Cash generated from group operations

	2023 £	2022 £
Profit for the year after tax	5,156,058	3,465,746
Adjustments for:		
Taxation charged	1,866,327	1,335,937
Finance costs	362,914	507,104
(Gain)/loss on disposal of tangible fixed assets	(7,094)	13,389
Loss on disposal of intangible assets	-	17,534
Fair value loss/(gain) on foreign exchange contracts	208,391	(126,680)
Amortisation and impairment of intangible assets	64,030	58,190
Depreciation and impairment of tangible fixed assets	312,879	266,456
Foreign exchange	(382,116)	(20,819)
Movements in working capital:		
Decrease/(increase) in debtors	418,147	(440,939)
(Decrease)/increase in creditors	(121,889)	849,696
Cash generated from operations	7,877,647	5,925,614

25 Analysis of changes in net debt - group

	1 April 2022 £	Cash flows £	Non-cash movements £	31 March 2023 £
Cash at bank and in hand	955,104	45,311	-	1,000,415
Borrowings excluding overdrafts	(3,366,897)	2,091,392	(57,399)	(1,332,904)
	<u>(2,411,793)</u>	<u>2,136,703</u>	<u>(57,399)</u>	<u>(332,489)</u>

26 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 2023 £	2022 £
Within one year	541,302	521,698
Between one and five years	1,373,307	1,876,412
	<u>1,914,609</u>	<u>2,398,110</u>

At the reporting end date, the Company had no operating lease commitments.

APCER LIFE SCIENCES HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

27 Events after the reporting date

Borrowings

In May 2023, the group settled the outstanding term loan A and invoice discounting facility as part of a refinancing facility agreement with Clydesdale bank which resulted an increase in borrowing facilities for a further five year period.

Dividends

APCER Life Sciences Holding Limited utilised the equity dividend amount received from APCER Life Sciences Limited of £3,800,000 for redemption of £3,173,556 of preference shares (3,173,556 shares of £1 each) out of the total outstanding preference shares of £3,200,000.

The remaining proceeds were utilised to pay the outstanding preference shares dividend owed of £561,688 relating to FY2022-23, as well as a preference shares dividend of £61,532 relating to the period from 1 April 2023 to 9 May 2023.

28 Related party transactions

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

With non 100% owned subsidiary undertakings:

- Purchase of goods and services totalling £12,536,047 (2022: £10,829,305)
- Purchase of intangible fixed assets totalling £Nil (2022: £95,307)

At 31 March 2023, the amount owed to non 100% owned subsidiary undertakings totalled £4,917,729 (2022: £4,066,185).

With entities under common control:

- Management charges of £180,000 (2022: £180,000).

At 31 March 2023, there were no balances due from entities under common control (2022: £860,769). The balance due at 31 March 2022, which was fully provided for, was written off in the current year.

Other related party transactions:

During the year, APCER Life Sciences Ltd. made purchases for services from a related party, a close family member of a director of the company, totalling £30,330 (2022: £26,935). At 31 March 2023, APCER Life Sciences Ltd. owed £1,800 (2022: £1,800) to this related party.

29 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.