

Registration number: 10305216

**MEDICINES DISCOVERY CATAPULT SERVICES LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**



**MEDICINES DISCOVERY CATAPULT SERVICES LIMITED**

**CONTENTS**

Company Information	1
Directors' Report	2
Statement of Directors' Responsibilities	3
Independent Auditor's Report	4 to 5
Profit and Loss Account	6
Balance Sheet	7
Statement of Changes in Equity	8
Notes to the Financial Statements	9 to 13

**MEDICINES DISCOVERY CATAPULT SERVICES LIMITED**

**COMPANY INFORMATION**

<b>Directors</b>	C R Molloy R J Brown
<b>Registered office</b>	Block 35g Mereside Alderley Park Alderley Edge Macclesfield Cheshire SK10 4TG
<b>Auditors</b>	Hazlewoods LLP Staverton Court Staverton Cheltenham GL51 0UX

**MEDICINES DISCOVERY CATAPULT SERVICES LIMITED**

**DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2020**

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

**Principal activity**

The principal activity of the company is research and experimental development on biotechnology.

**Directors of the company**

The directors who held office during the year were as follows:

C R Molloy

R J Brown

**Disclosure of information to the auditors**

Each director has taken the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

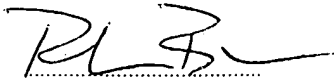
**Reappointment of auditors**

Hazlewoods LLP have expressed their willingness to continue in office.

**Small companies provision statement**

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved by the Board on 17/9/20 and signed on its behalf by:



R J Brown  
Director

## **MEDICINES DISCOVERY CATAPULT SERVICES LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

## MEDICINES DISCOVERY CATAPULT SERVICES LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEDICINES DISCOVERY CATAPULT SERVICES LIMITED

#### Opinion

We have audited the financial statements of Medicines Discovery Catapult Services Limited (the 'company') for the year ended 31 March 2020, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 Section 1A '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 company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### Conclusions relating to going concern

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 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, it is difficult to evaluate all of the potential implications of the current COVID-19 outbreak on the company's trade, employees, customers, suppliers and the wider economy.

#### Other information

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

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.

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

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

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

**MEDICINES DISCOVERY CATAPULT SERVICES LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEDICINES DISCOVERY  
CATAPULT SERVICES LIMITED**

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**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 [www.frc.org.uk/auditorsresponsibilities](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.

.....  
Paul Fussell (Senior Statutory Auditor)  
For and on behalf of Hazlewoods LLP, Statutory Auditor

Staverton Court  
Staverton  
Cheltenham  
GL51 0UX

Date: 30/09/2020

**MEDICINES DISCOVERY CATAPULT SERVICES LIMITED**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2020**

	Note	2020 £	2019 £
Turnover		874,299	198,417
Cost of sales		<u>(566,449)</u>	<u>(160,300)</u>
Gross profit		307,850	38,117
Administrative expenses		<u>(142,842)</u>	<u>(29,186)</u>
Operating profit		<u>165,008</u>	<u>8,931</u>
Profit before tax	4	165,008	8,931
Taxation	5	<u>(31,357)</u>	<u>(1,697)</u>
Profit for the financial year		<u><u>133,651</u></u>	<u><u>7,234</u></u>

The above results were derived from continuing operations.

The company has no other comprehensive income for the year.

The notes on pages 9 to 13 form an integral part of these financial statements.



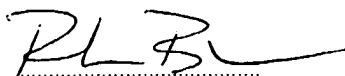
**MEDICINES DISCOVERY CATAPULT SERVICES LIMITED**

**(REGISTRATION NUMBER: 10305216)  
BALANCE SHEET AS AT 31 MARCH 2020**

	Note	2020 £	2019 £
<b>Current assets</b>			
Debtors	6	335,663	95,214
Cash at bank and in hand		<u>185,481</u>	<u>56,219</u>
		521,144	151,433
Creditors: Amounts falling due within one year	7	<u>(380,258)</u>	<u>(144,198)</u>
Net assets		<u>140,886</u>	<u>7,235</u>
<b>Capital and reserves</b>			
Called up share capital	8	1	1
Profit and loss account		<u>140,885</u>	<u>7,234</u>
Total equity		<u>140,886</u>	<u>7,235</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved and authorised by the Board on 17/9/20 and signed on its behalf by:



R J Brown  
Director

**MEDICINES DISCOVERY CATAPULT SERVICES LIMITED**

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

	<b>Share capital</b>	<b>Profit and loss</b>	<b>Total</b>
	<b>£</b>	<b>account</b>	<b>£</b>
		<b>£</b>	
At 1 April 2019	1	7,234	7,235
Profit for the year	-	133,651	133,651
At 31 March 2020	<u>1</u>	<u>140,885</u>	<u>140,886</u>

	<b>Share capital</b>	<b>Profit and loss</b>	<b>Total</b>
	<b>£</b>	<b>account</b>	<b>£</b>
		<b>£</b>	
At 1 April 2018	1	-	1
Profit for the year	-	7,234	7,234
At 31 March 2019	<u>1</u>	<u>7,234</u>	<u>7,235</u>

The notes on pages 9 to 13 form an integral part of these financial statements.

# MEDICINES DISCOVERY CATAPULT SERVICES LIMITED

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

### 1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:  
Block 35g Mereside Alderley Park  
Alderley Edge  
Macclesfield  
Cheshire  
SK10 4TG

### 2 Accounting policies

#### Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

#### Basis of preparation

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

#### Going concern

The directors have prepared forecast information which takes into account the current COVID-19 outbreak and its potential impact on the business. Unlike many businesses in the current environment, COVID-19 is not expected to have a significant impact on the business in the short and long term. Where possible the company has been able to reduce direct costs, however, there is a level of fixed costs which cannot be avoided. The forecasts indicate that the company will remain within its existing facilities. On the basis of this information, the directors consider it appropriate to prepare the financial statements on a going concern basis. As with a number of such businesses, however, it is difficult to accurately forecast the effect that COVID-19 will have on the company in the next 12 months.

#### Critical accounting judgements and key sources of estimation uncertainty

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

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

#### Judgements

No significant judgements have been made by management in preparing these financial statements.

## MEDICINES DISCOVERY CATAPULT SERVICES LIMITED

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

#### ***Key sources of estimation uncertainty***

No key sources of estimation uncertainty have been identified by management in preparing these financial statements other than those detailed in these accounting policies.

#### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities.

#### **Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. All trade debtors are repayable within one year and hence are included at the undiscounted cost of cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debtors.

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

## MEDICINES DISCOVERY CATAPULT SERVICES LIMITED

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

#### Financial instruments

##### **Classification**

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

##### **Recognition and measurement**

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

##### **Impairment**

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

A non financial asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units ('CGUs') of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

##### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

### 3 Staff numbers

There were no persons employed by the company in the current or previous year.

**MEDICINES DISCOVERY CATAPULT SERVICES LIMITED**

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

**4 Profit before tax**

Arrived at after charging:

	2020	2019
	£	£
Auditor's remuneration - Audit of the financial statements	4,000	3,000
Auditor's remuneration - Taxation services	<u>1,000</u>	<u>1,000</u>

**5 Taxation**

Tax charged in the profit and loss account

	2020	2019
	£	£
<b>Current taxation</b>		
UK corporation tax	<u>31,357</u>	<u>1,697</u>

**6 Debtors**

	2020	2019
	£	£
Trade debtors	213,444	95,214
Prepayments and accrued income	<u>122,219</u>	<u>-</u>
	<u>335,663</u>	<u>95,214</u>

**7 Creditors**

Creditors: amounts falling due within one year

	2020	2019
	£	£
<b>Due within one year</b>		
Amounts due to parent undertakings	127,981	81,771
Social security and other taxes	18,364	4,829
Accrued expenses	5,000	-
Corporation tax liability	31,357	1,697
Deferred income	<u>197,556</u>	<u>55,901</u>
	<u>380,258</u>	<u>144,198</u>

**8 Share capital**

Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

**MEDICINES DISCOVERY CATAPULT SERVICES LIMITED**

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

**9 Related party transactions**

**Exploristics Limited**

**(A company in which C Molloy is also a director)**

During the year, the company made sales to Exploristics Limited of £17,329 (2019 - £nil) and at 31 March 2020 £3,199 (2019 - £nil) was owed to the company in respect of these sales.

**North West E-Health Limited**

**(A company in which C Molloy is also a director)**

During the year, the company made sales to North West E-Health Limited of £8,330 (2019 - £nil) and at 31 March 2020 £1,999 (2019 - £nil) was owed to the company in respect of these sales.

**10 Parent and ultimate parent undertaking**

The company's immediate and ultimate parent is Medicines Discovery Catapult Limited, incorporated in England and Wales.