

Company Registration No. SC201430 (England and Wales)

SOURCE BIOSCIENCE SCOTLAND LIMITED

**UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2018**

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SOURCE BIOSCIENCE SCOTLAND LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2018**

	Notes	2018 £'000	2017 £'000
Fixed assets			
Intangible assets	3	-	-
Tangible assets	4	-	-
		-	-
Current assets			
Cash at bank and in hand		-	1
Creditors: amounts falling due within one year	5	(434)	(437)
Net current liabilities		(434)	(436)
Net liabilities		(434)	(436)
Capital and reserves			
Called up share capital	6	1	1
Share premium account		50	50
Profit and loss reserves		(485)	(487)
Total equity		(434)	(436)

The directors of the company have elected not to include a copy of the income statement within the financial statements.

For the financial year ended 31 December 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 12th DECEMBER 2019 and are signed on its behalf by:

.....
T F Nolan
Director

SOURCE BIOSCIENCE SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Company information

Source BioScience Scotland Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Capella, 60 York Street, Glasgow, G2 8JX.

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 £'000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Going concern

The company ceased trading at 31 December 2017 and has not traded during the year, and it has disposed of all intangible and tangible fixed assets during the year. As a result the directors do not believe the going concern basis to be appropriate and, in consequence, these financial statements have not been prepared on that basis.

The principal effects of preparing the financial statements on a basis other than that of a going concern is the recognition of future costs to closure in the current period.

Notwithstanding the decision to cease trading, the directors remain committed to ensuring all and any liabilities of the company are settled in full. This commitment is supported by ongoing financial support from the ultimate parent company and the commitment to postpone repayments of intercompany creditors if required.

Having recognised for the impact of the change in the basis of preparation, the following principal accounting policies have been consistently applied.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for analytic testing services provided in the normal course of business, and is shown net of VAT and other sales related taxes. Amounts received or receivable for these are recognised as revenue when services are provided and any obligations are fulfilled.

Intangible fixed assets other than goodwill

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation any any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

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

Website database	3 - 10 years
Research and development	4 years

SOURCE BIOSCIENCE SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors and amounts due to 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.

Equity instruments

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

Employee benefits

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

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

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

Operating leases

Rentals paid under operating leases are charged to the statement of income and retained earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 1 November 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 3 (2017 - 3).

The directors were remunerated for their services to the company by Source BioScience Limited and Source BioScience UK Limited. It is not considered practical or possible to accurately apportion these costs to each entity in the group.

SOURCE BIOSCIENCE SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

3 Intangible fixed assets

	Website database £'000	Research and development £'000	Total £'000
Cost			
At 1 January 2018	87	52	139
Disposals	(87)	(52)	(139)
At 31 December 2018	-	-	-
Amortisation and impairment			
At 1 January 2018	87	52	139
Disposals	(87)	(52)	(139)
At 31 December 2018	-	-	-
Carrying amount			
At 31 December 2018	-	-	-
At 31 December 2017	-	-	-

4 Tangible fixed assets

	Fixtures and fittings £'000
Cost	
At 1 January 2018	13
Disposals	(13)
At 31 December 2018	-
Depreciation and impairment	
At 1 January 2018	13
Eliminated in respect of disposals	(13)
At 31 December 2018	-
Carrying amount	
At 31 December 2018	-
At 31 December 2017	-

SOURCE BIOSCIENCE SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

5 Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
Trade creditors	-	1
Amounts due to group undertakings	434	435
Other creditors	-	1
	<u>434</u>	<u>437</u>

Amounts owed to group undertakings are unsecured. They have no fixed repayment date, however, the company has received written confirmation from its ultimate parent undertaking, that the counterparties will not require repayment unless such repayment can be made without prejudicing the company's ability to settle amounts payable to other external creditors as they fall due.

6 Called up share capital

	2018 £'000	2017 £'000
Ordinary share capital		
Issued and fully paid		
1,100 Ordinary shares of £1 each	1	1
	<u>1</u>	<u>1</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

7 Financial commitments, guarantees and contingent liabilities

At 31 December 2018, under the terms of the Source BioScience Limited group banking facility with Barclays, the company was party to a bank guarantee with other group companies. At 31 December 2018 the maximum contingent liability under group banking arrangement was £5.9m (2017: £5.7m). The group has right to set off on all overdraft and bank borrowings as part of this agreement.

8 Operating lease commitments

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

	2018 £'000	2017 £'000
Within one year	-	1
Between one and five years	-	4
	<u>-</u>	<u>5</u>

SOURCE BIOSCIENCE SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

9 Parent company

The immediate parent company is Source BioScience Limited and the ultimate parent company is Sherwood Holdings Limited, both companies are incorporated in England and Wales. Sherwood Holdings Limited is the largest group for which consolidated financial statements are prepared. Source Bioscience Limited is the smallest group for which consolidated financial statements are prepared. The registered office of Sherwood Holdings Limited and Source Bioscience Limited is 1 Orchard Place, Nottingham Business Park, Nottingham, NG8 6PX. The directors consider there to be no ultimate controlling party.

**ACCOUNTANT'S REPORT TO THE BOARD OF DIRECTORS OF SOURCE
BIOSCIENCE SCOTLAND LIMITED ON THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

In order to assist you to fulfil your duties under the Companies Act 2006 ("the Act"), we prepared for your approval the financial statements of Source BioScience Scotland Limited which comprise the statement of financial position and the related notes in accordance with the financial reporting framework set out therein from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance>.

This report is made solely to the Board of Directors of Source BioScience Scotland Limited, as a body, in accordance with the terms of our engagement letter dated 19 March 2019. Our work has been undertaken solely to prepare for your approval the financial statements of Source BioScience Scotland Limited and state those matters that we have agreed to state to them in accordance with ICAEW Technical Release 07/16 AAF. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights against RSM UK Tax and Accounting Limited for any purpose or in any context. Any party other than the Board of Directors which obtains access to this report or a copy and chooses to rely on this report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM UK Tax and Accounting Limited will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

It is your duty to ensure that Source BioScience Scotland Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Source BioScience Scotland Limited under the Act. You consider that Source BioScience Scotland Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Source BioScience Scotland Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

RSM UK Tax and Accounting Limited

RSM UK Tax and Accounting Limited
Chartered Accountants
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Tollhouse Hill
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NG1 5FS

12 DECEMBER 2019
