

Fishawack Limited

Annual Report and Financial Statements

Year Ended

31 March 2021

Company Number 10490695

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Fishawack Limited

Company Information

Directors	G L Flockhart D Snowball J Koch
Company secretary	A J Vernon
Registered number	10490695
Registered office	3 Booths Park Booths Hall Knutsford Cheshire England WA16 8GS
Independent auditor	BDO LLP 3 Hardman Street Manchester M3 3AT

Fishawack Limited

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Fishawack Limited

Strategic Report For the Year Ended 31 March 2021

The directors present their strategic report together with the audited financial statements for the year ended 31 March 2021.

Principal activities, review of the business and future developments

The principal activity of the company is to support the group through management services as well as being a holding company.

The company is part of the Fishawack Group, which is one of the largest global independent healthcare communications groups and operates in the UK, USA and Switzerland. The Fishawack Group has a well-developed acquisition strategy whilst also seeking to generate real organic growth from the core business.

Financial information

The company is part of a larger group structure, and this company acts as an investment holding company and an external debt holder for the wider Group. There are intercompany loans receivable and payable from other Group companies.

As at 31 March 2021, the company has net liabilities of £20,779k (2020 – net liabilities of £22,800k) During the year to 31 March 2021, the company generated a profit after tax of £2,021k (31 March 2020 - loss of £12,239k). The increase in profit is driven by a foreign exchange gain on amounts owed to/by group undertakings and interest receivable on amounts owed by group undertakings.

Financial key performance indicators

As the company is a non-trading holding company, there are no key performance indicators based on the performance of the company.

Principal risks and uncertainties

The principal risks associated with the business are:

Reliance on the Healthcare sector - The Company is exposed to a single sector which is heavily weighted towards the US and therefore a downturn in these markets could adversely impact the Company's business, financial condition, liquidity or results of operations. The fundamentals of the Healthcare sector are strong with ageing populations, an increasing prevalence of chronic diseases and a sustained increase in FDA product approvals. End user demand is growing and is relatively unaffected by traditional macroeconomic cycles.

Major customer loss - The Group has preferred supplier status with many of the top 20 pharmaceutical companies. The revenue attributable to several of the Group's clients represents between 5 and 10% of total Group revenue. The loss of a client would represent a real risk for the Group. This risk is largely mitigated as the Group works on multiple brands, providing different services, within each client company.

Competition - The sector and locations in which the Company operates are highly competitive. Competitive pressures could cause the Company to lose market share or restrict pricing. To mitigate this management continually assess the competitive position of the Group as a whole in relation to capability, price and client service to ensure the Group continues to meet changing client demands.

Business systems - A failure of information systems could negatively impact business operations, including delays to client work. Unauthorised access to confidential information held by the Company could have an adverse effect on the reputation of the Company. Core business systems must also be kept up to date with the capability to support the Group's growth strategy.

Loss of key talent - The Company's employees are a significant asset and there is strong competition within the industry for experienced talent. Recruitment and retention of key individuals is key both for maintaining client relationships and ensuring that client service is of the highest quality.

Fishawack Limited

Strategic Report (continued) For the Year Ended 31 March 2021

Exchange rate loss - The Group has operations in the United Kingdom, Continental Europe and the USA. Exchange rate fluctuations between the pound sterling, US dollar and euro may result in gains or losses and could therefore adversely affect the Group's business, financial condition, liquidity or results of operations. The Group maintains a mix of sterling and US dollar denominated borrowings to provide an economic hedge against net asset and cash flow fluctuations arising from changing exchange rates. In addition the Group hedges a proportion of short-term transactional exposures via the use of forward currency exchange contracts as appropriate. Financial exposures are continually monitored both internally and externally with support from the Group's advisors.

Future Developments

The Company will remain an investment holding company. The Group's strategy is to support the increasing trend among Pharma, Biotech and healthcare companies to outsource specialist and non-core activities.

The market is forecast to grow at 7-8% per annum to 2024 after accounting for the expected impact of COVID-19, driven by:

- increasing industry demand reflecting the many new therapies that are being developed across rare diseases, oncology, immunology and of course COVID-19
- increased outsourcing as pharmaceutical companies look to partner with suppliers that can provide expert and innovative input

This report was approved by the board on 17 December 2021 and signed on its behalf.



D Snowball
Director

Fishawack Limited

Directors' Report For the Year Ended 31 March 2021

The directors present their report together with the audited financial statements for the year ended 31 March 2021.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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 company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

Results and dividends

The profit for the year, after taxation, amounted to £2,021k (2020 - loss £12,239k).

The directors do not recommend payment of a dividend (2020 - nil).

Directors

The directors who served during the year were:

O J Dennis (resigned 16/09/2021)
G L Flockhart
D T Miller (resigned 16/09/2021)
D Snowball
J Koch (appointed 02/11/2021)

Qualifying third party indemnity provisions

The Company has taken out third party indemnity insurance for the benefit of all directors of the Company.

Fishawack Limited

Directors' Report (continued) For the Year Ended 31 March 2021

Going Concern

The directors consider that the Company is a going concern and the accounts have been prepared on that basis. Despite a net liabilities position of £20,779k the entity has generated a profit of £2,021k in the year ended 31 March 2021. Much of the net liability position is driven by intragroup loans of £150m. The loan balance will not be recalled in the coming 12 months.

Current forecasts indicate that the Group, from which the company is funded and supported, expects to be able to operate within these facilities for a period of at least 12 months from the date of these financial statements being signed. The directors are not aware of any circumstances that may adversely affect these facilities and remain confident of future growth.

In determining the appropriate basis of preparation, the directors consider the key liabilities of the Company, and the ability of the Company to meet these when they fall due. Significant liabilities relate to intercompany loans which accrue interest at rates between 6 and 12%. The interest and capital repayments on these loans are paid at the discretion of the Group and would not be redeemed to the detriment of the Company.

The impact of the Covid-19 pandemic has also been a major consideration. The Board have taken into account the following restrictions that Covid-19 has placed on the Group's day to day operations:

Social distancing required a review of working practices, with the majority of employees working from home. The provision of necessary equipment, the switch to virtual team meetings, regular communication from senior management and dedicated working from home support groups have mitigated the risk of inefficiencies and help to maintain employee engagement.

Certain services offered have suffered delays due to the nature of the services (such as in person congresses) with the majority of deliverables being moved to digital channels.

Clients budgets are changing to other services with account directors focusing on providing services through other high quality engagement channels.

Once Covid-19 restrictions are lifted, it is expected that clients will focus on accelerating delayed work streams.

If the Company were to fall into financial difficulty, it would not only be aided financially by the wider group, but it would also have access credit facilities via its parent entities. As such, there are no concerns around the ability of the company to meet its obligations in the coming 12 months.

The Board has concluded that it is appropriate to adopt the going concern basis, having undertaken a rigorous assessment of the financial forecasts with specific consideration to the trading position of the Group in the context of the current Covid-19 pandemic.

Fishawack Limited

Directors' Report (continued) For the Year Ended 31 March 2021

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that ought to have been taken as directors in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 17 December 2021 and signed on its behalf.



D Snowball
Director

Fishawack Limited

Independent Auditor's Report to the Members of Fishawack Limited

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Fishawack Limited (the 'Company') for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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.

Independence

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.

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 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.

Fishawack Limited

Independent Auditor's Report to the Members of Fishawack Limited

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report and financial statements 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. 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.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the 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 has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its 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, 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 statement, 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.

Fishawack Limited

Independent Auditor's Report to the Members of Fishawack Limited

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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding and accumulated knowledge of the Company and the sector in which it operates we considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud and whether such actions or non-compliance might have a material effect on the financial statements.

These included but were not limited to those that relate to the form and content of the financial statements, such as the accounting policies, United Kingdom Generally Accepted Accounting Practice, the UK Companies Act 2006 and those that relate to the payment of employees. All team members were briefed to ensure they were aware of any relevant regulations including risk of fraud in relation to their work. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates. Our audit procedures included, but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures in accordance with the applicable accounting framework, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Challenging assumptions and judgements made by management in their significant accounting estimates and judgements;
- Identifying and testing journal entries, in particular any material journals, round sums and unusual combinations;
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud; and
- Obtaining an understanding of how the Company is complying with relevant legal and regulatory frameworks by making enquiries to management and those charged with governance. We corroborated our enquiries through our review of minutes of Board meetings and other evidence gathered during the course of the audit; and
- Obtaining an understanding of the processes and controls that the Company has established to address risks identified, or that otherwise prevent, deter and detect fraud and how management monitors that process and controls.

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Independent Auditor's Report to the Members of Fishawack Limited

Auditor's responsibilities for the audit of the financial statements (continued)

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it. A further description of our responsibilities is available on the Financial Reporting Council's website at: 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.

DocuSigned by:

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Graham Ellis (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Manchester
United Kingdom
17 December 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Fishawack Limited

Statement of Comprehensive Income For the Year Ended 31 March 2021

	Note	2021 £000	2020 £000
Other income	6	5,293	4,440
Administrative expenses		(9,031)	(6,668)
Operating loss	6	(3,738)	(2,228)
Investment income		-	2,859
Interest payable and similar expenses	7	(8,746)	(13,926)
Interest receivable	7	14,860	874
Profit/(loss) before tax		2,376	(12,421)
Tax (charge)/credit	8	(355)	182
Profit/(loss) and comprehensive income/(loss) for the financial period		2,021	(12,239)

There was no other comprehensive income for 2021 (2020:£NIL).

The notes on pages 13 to 25 form part of these financial statements.

Profit and total comprehensive income is attributable to the equity holder of the company.

Fishawack Limited
Company Number 10490695

Statement of Financial Position
As at 31 March 2021

	Note	2021 £000	2021 £000	2020 £000	2020 £000
Fixed assets					
Intangible fixed assets	9		704		827
Fixed asset investments	10		20,628		20,628
Current assets					
Debtors: amounts falling due within one year	11	109,106		105,656	
Cash at bank and in hand		1,445		1,172	
		<u>110,551</u>			
Creditors: amounts falling due within one year	12	(152,610)		(22,244)	
Net current liabilities			<u>(42,059)</u>		84,854
Total assets less current liabilities			<u>(20,727)</u>		<u>106,039</u>
Creditors: amounts falling due after more than one year	13		-		(128,839)
Deferred tax liability	14		(52)		-
Net liabilities			<u><u>(20,779)</u></u>		<u><u>(22,800)</u></u>
Capital and reserves					
Called up share capital	15		2		2
Share premium account	16		319		319
Profit and loss account	16		(21,100)		(23,121)
Total deficit			<u><u>(20,779)</u></u>		<u><u>(22,800)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 December 2021.



D Snowball
Director

The notes on pages 13 to 25 form part of these financial statements.

Fishawack Limited
Company Number 10490695

**Statement of Changes in Equity
For the Year Ended 31 March 2021**

	Called up share capital	Share premium account	Profit and loss account	Total Equity
	£000	£000	£000	£000
At 1 April 2020	2	319	(23,121)	(22,800)
Comprehensive income for the year				
Profit for the year	-	-	2,021	2,021
At 31 March 2021	<u>2</u>	<u>319</u>	<u>(21,100)</u>	<u>(20,779)</u>

**Statement of Changes in Equity
For the Year Ended 31 March 2020**

	Called up share capital	Share premium account	Profit and loss account	Total Equity
	£000	£000	£000	£000
At 1 April 2019	2	319	(10,882)	(10,561)
Comprehensive loss for the year				
Loss for the year	-	-	(12,239)	(12,239)
Contributions by and distributions to owners				
At 31 March 2020	<u>2</u>	<u>319</u>	<u>(23,121)</u>	<u>(22,800)</u>

The notes on pages 13 to 25 form part of these financial statements.

Fishawack Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

1. General information

Fishawack Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are disclosed in the strategic report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Fishawack Limited as at 31 March 2021 and these financial statements may be obtained from Companies House, Cardiff, CF14 3UZ.

2.3 Basis of consolidation

The financial statements contain information about Fishawack Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption conferred by section 400 of the Companies Act 2006 not to produce consolidated financial statements as it is included in UK group accounts of a larger group, which are publicly available and may be obtained from Companies House, Cardiff, CF14 3UZ.

Fishawack Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

2. Accounting policies (continued)

2.4 Going concern

Notwithstanding net liabilities of £20,779k, and net current liabilities of £42,059k, the Directors consider that the company is a going concern and the accounts have been prepared on that basis. Much of the net current liability position is driven by intragroup loans of £150m. The loan balance will not be recalled in the coming 12 months.

The company, and the wider Group, utilise bank and loan facilities with its parent company to fund acquisitions and aid with working capital requirements of the group. Current forecasts indicate that the Group expects to be able to operate within these facilities for a period of at least 12 months from the date of these financial statements being signed. The directors are not aware of any circumstances that may adversely affect these facilities and remain confident of future growth.

In determining the appropriate basis of preparation, the impact of the Covid-19 pandemic has been the major consideration. Over the past year, the group has responded well to Covid restrictions with most staff working from home with minimal disruption to the day to day operations of the business. The efficiencies developed around remote working will be championed going forward to aid the long-term productivity and flexibility of the group as a whole.

The management of cash flows in response to the ongoing pandemic are as follows:

- Careful monitoring of receivables.
- Close monitoring of cash position and a detailed 12 week forecast updated daily.
- Continual tracking of capital requirements to ensure covenant compliance

The Board has concluded that it is appropriate to adopt the going concern basis, having undertaken a rigorous assessment of the financial forecasts with specific consideration to the trading position of the Group in the context of the current Covid-19 pandemic.

Fishawack Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

2. Accounting policies (continued)

2.5 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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 income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.6 Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each statement of financial position date. Gains and losses on remeasurement are recognised in the statement of comprehensive income for the period.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Fishawack Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

5. Auditor's Remuneration

Fees payable to BDO LLP for the audit of the Company's annual financial statements were £15k and have been borne by other group companies and have not been recharged. There were no non audit fees in the period.

6. Operating profit

The operating profit is stated after charging/(crediting):

	2021 £000	2020 £000
Management recharge	(5,293)	(4,440)
Amortisation of intangible assets	231	169
Foreign exchange	(225)	50

7. Finance income and expenditure

	2021 £000	2020 £000
Interest payable and similar expenditure	£000	£000
Interest on amounts owed to group undertakings	8,746	-
Loan interest	-	13,926
	<u>8,746</u>	<u>13,926</u>
Interest receivable and similar income		
Interest on amounts owed by group undertakings	6,008	-
Foreign exchange gain on amounts owed to/by group undertakings	8,852	874
	<u>14,860</u>	<u>874</u>

Fishawack Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

8. Taxation

	2021 £000	2020 £000
Current tax on profits for the year	-	-
Adjustments in respect of previous periods	-	7
Total current tax	-	7
Origination and reversal of timing differences	112	(278)
Adjustments in respect of previous periods	249	60
Changes in tax rates	(6)	29
Total deferred tax	355	(189)
Taxation on profit on ordinary activities	355	(182)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £000	2020 £000
Profit/(loss) on ordinary activities before tax	2,376	(15,280)
Profit/(loss) multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	451	(2,903)
Effects of:		
Expenses not deductible for tax purposes	267	488
Group relief surrendered	-	1,421
Changes in tax rates	(606)	715
Adjustments in respect of previous periods - current tax	(6)	29
Adjustments in respect of previous periods - deferred tax	-	7
Non-taxable income	249	60
Total tax charge/(credit) for the period	355	(183)

Fishawack Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

8. Taxation (continued)

Factors that may affect future tax charges

On 17 March 2020, the UK Government passed a Budget resolution with statutory provision under the Provisional Collection of Taxes Act 1968, which reversed the previously enacted reduction in the UK Corporation Tax rate to 17% and maintained the rate at 19% from April 2020. Owing to the immaterial difference in the value of deferred tax assets and liabilities between these tax rates as of 31 March 2020, deferred tax assets and liabilities have now been revalued to the 19% tax rate as of 31 March 2021 in the accounts for this period.

The Finance Bill introduced by the UK Government in March 2021 included the provision to increase the main rate of UK corporation tax from 19% to 25% in April 2023. As of the 31 March 2021, this legislation had not progressed beyond initial stages in the UK Parliament and therefore it was not considered to be substantively enacted as of the reporting date. Deferred tax assets and liabilities remain valued at the 19% enacted corporation tax rate as of 31 March 2021.

9. Intangible assets

	Computer software £000
Cost	
At 1 April 2020	1,014
Additions	106
At 31 March 2021	<u>1,120</u>
Depreciation	
At 1 April 2020	187
Charge for the year	231
At 31 March 2021	<u>416</u>
Net book value	
At 31 March 2021	<u><u>704</u></u>
At 31 March 2020	<u><u>827</u></u>

Fishawack Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

10. Fixed asset investments

	Investments in subsidiary companies
	2021 £000
Cost	
At 1 April 2020	20,628
Additions	-
At 31 March 2021	20,628
Net book value	
At 31 March 2021	<u>20,628</u>
At 31 March 2020	<u>20,628</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Fishawack Medical Communications Limited (UK)	3 Booths Park, Booths Hall, Chelford Road, Knutsford, Cheshire, WA16 8GS	Medical Communications	Ordinary	100%
Indicia Medical Limited	3 Booths Park, Booths Hall, Chelford Road, Knutsford, Cheshire, WA16 8GS	Medical Communications	Ordinary	100%
Fishawack Communications Limited	3 Booths Park, Booths Hall, Chelford Road, Knutsford, Cheshire, WA16 8GS	Medical Communications	Ordinary	100%
Fishawack Indicia Limited	3 Booths Park, Booths Hall, Chelford Road, Knutsford, Cheshire, WA16 8GS	Medical Communications	Ordinary	100%
Phocus Holding GmbH	Aeschenvorstadt 4, 4051 Basel, Switzerland	Holding Company	Ordinary	100%
Fishawack Archimed AG	Aeschenvorstadt 4, 4051 Basel, Switzerland	Medical Communications	Ordinary	100%
Fishawack Communications GmbH	Aeschenvorstadt 4, 4051 Basel, Switzerland	Medical Communications	Ordinary	100%

Fishawack Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

10. Fixed asset investments (continued)

Subsidiary undertakings (continued)

Name	Registered office	Principal activity	Class of shares	Holding
Phocus Communications Inc	Aeschenvorstadt 4, 4051 Basel, Switzerland	Dormant	Ordinary	100%
Fishawack Facilitate Limited	3 Booths Park, Booths Hall, Chelford Road, Knutsford, Cheshire, WA16 8GS	Medical Communications	Ordinary	100%
The Health Hive Group Limited	3 Booths Park, Booths Hall, Chelford Road, Knutsford, Cheshire, WA16 8GS	Holding Company	Ordinary	100%
The Health Hive Limited	3 Booths Park, Booths Hall, Chelford Road, Knutsford, Cheshire, WA16 8GS	Medical Communications	Ordinary	100%
Pollen Health Limited	3 Booths Park, Booths Hall, Chelford Road, Knutsford, Cheshire, WA16 8GS	Medical Communications	Ordinary	100%
eBee Limited	3 Booths Park, Booths Hall, Chelford Road, Knutsford, Cheshire, WA16 8GS	Medical Communications	Ordinary	100%

11. Debtors: amounts falling due within one year

	2021 £000	2020 £000
Amounts owed by group undertakings	108,128	105,090
Other debtors	36	4
Prepayments and accrued income	445	259
Other taxation and social security	497	-
Deferred tax asset (Note 14)	-	303
	<u>109,106</u>	<u>105,656</u>

The charge applied to bad and doubtful debts in the period was nil. Amounts owed by group undertakings earn interest at a rate between 6% and 12%. The amounts due are on demand.

Fishawack Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

12. Creditors: amounts falling due within one year

	2021 £000	2020 £000
Trade creditors	294	300
Amounts owed to group undertakings	150,224	18,740
Other creditors	-	943
Accruals and deferred income	2,092	2,261
	<u>152,610</u>	<u>22,244</u>

Amounts owed to group undertakings incur interest at a rate between 6% and 12%. The amounts due are on demand.

13. Creditors: amounts falling due after more than one year

	2021 £000	2020 £000
Related party loans	-	128,939
	<u>-</u>	<u>128,939</u>

Following a financial restructuring of the Fishawack Group during the year, all related party loans were moved to the ultimate parent and controlling party, Fishawack Health Topco Limited and redistributed throughout the group via intercompany loans.

14. Deferred taxation

	2021 £000	2020 £000
At beginning of year	303	114
Charged to profit or loss	(355)	189
At end of year	<u>(52)</u>	<u>303</u>

Fishawack Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

14. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	2021 £000	2020 £000
Accelerated capital allowances	(98)	(30)
Tax losses carried forward	0	298
Short term timing differences	46	35
	<u>(52)</u>	<u>303</u>

15. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
61,900 ordinary A shares of £0.01 each	619	619
7,780 ordinary B1 shares of £0.05 each	390	390
1,600 ordinary B2 shares of £0.10 each	160	160
800 ordinary B3 shares of £0.15 each	120	120
25,000 ordinary C shares of £0.01 each	250	250
2,000 ordinary E1 shares of £0.05 each	100	100
	<u>1,639</u>	<u>1,639</u>

The shares have attached to them full voting, dividend and capital distribution rights. All shares rank pari passu.

16. Reserves

The company's capital and reserves are as follows:

Share capital

Called up share capital represents the nominal value of the shares issued.

Share premium account

The share premium account includes the premium on issue of equity shares, net of any issue costs.

Profit and loss account

The profit and loss account represents cumulative profits or losses net of dividends paid and other adjustment.

Fishawack Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

17. Contingent liabilities

All external debt is issued to the Group comes under the terms of a cross guarantee agreement. The guarantors under this agreement are as follows:

1. Fishawack Health Midco 1 Limited
2. Fishawack Health Midco 2 Limited
3. Fishawack Health UK Bidco Limited
4. Fishawack Health US Bidco Inc.
5. Fishawack Limited
6. Fishawack Indicia Limited
7. Blue Latitude Network Limited
8. Fishawack Medical Communications Limited
9. Fishawack Creative Limited
10. JK Associates, Inc.
11. HealthCorp, Inc.
12. Carling Communications, Inc.
13. 2e Creative, Inc.
14. Skysis, LLC
15. Fishawack US Holdings LLC
16. Fishawack Midco US Holdings LLC
17. 2e Group LLC
18. Fishawack Communications GmbH
19. Phocus Holding GmbH

All the guarantors above have also acceded to the guarantee as debtors, and all the debt guaranteed by them will be covered by the intercompany agreement in place.

At the year end, the potential liability of this guarantee amounted to £165 million (2020 - £136 million).

18. Pension commitments

The company pays into personal pension plans setup by the employees themselves. The pension cost charge represents contributions payable by the company to these plans and amounted to £163,878 (2020 - £107,743). Nil contributions (2020 – nil) were payable at year end.

19. Related party transactions

The company has taken advantage of the exemption in Section 33.1A of FRS 102 which allows exemption from disclosure of transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is a party of the transaction is wholly owned by a member of that group.

20. Ultimate parent undertaking and controlling party

The ultimate parent company is Fishawack Health Topco Limited, a company incorporated in England and Wales.

The largest and smallest group in which the results are consolidated is that headed by Fishawack Health Topco Ltd. Their registered office is No.3 Booths Park, Booths Hall, Chelford Road, Knutsford, Cheshire, WA16 8GS. Copies of the consolidated financial statements can be obtained from Companies House, Cardiff, CF14 3UZ.

Bridgepoint is considered to be the controlling party by virtue of their controlling ownership of Fishawack Health Topco Ltd.