
PHARMASPECTRA GROUP LTD

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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PHARMASPECTRA GROUP LTD

COMPANY INFORMATION

Directors

B Long
J Moulding
A Murrell
S Nightingale

Registered number

12084283

Registered office

3 Bunhill Row
London
EC1Y 8YZ

Independent auditor

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
30 Finsbury Square
London
EC2A 1AG

PHARMASPECTRA GROUP LTD

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PHARMASPECTRA GROUP LTD

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

Introduction

The directors present their Strategic Report of the company and the group for the year ended 31 December 2021.

Business review

Pharmaspectra Group Ltd is a subsidiary which forms part of the wider Pharmaspectra Topco Ltd Group (the "Group"). The performance of, and principal notes and uncertainties of the Company are correlated with those of the Group and therefore commentary within this Strategic Report is provided in the context of the Group. During the year there has been a growth in turnover. The company has continued to invest in the product and infrastructure resulting in the launch of the Experts platform in December 2021 and numerous client gains. This investment has resulted in an increase in staffing costs to continue to position the group for an improved product offering and future growth.

Pharmaspectra US LLC and Pharmaspectra Informatics Private Limited are the principal subsidiary companies of the company. Further information on the subsidiary undertakings of the company are included in Note 14 to the financial statements. The results of the company for the period and the financial position of the group are shown in the financial statements.

After the year end the company reached agreement on both an insurance claim and a separate legal claim. The impact of the insurance claim is reflected in the results for the year as an adjusting post balance sheet item. In particular this includes a reduction in the goodwill balance as it has been assessed that the receipt reflects an adjustment in the opening value of the goodwill balance.

Principal risks and uncertainties

The directors consider the principal risks and uncertainties of the business to be the level of demand for its products amongst key customers, loss in existing customer contracts, loss of key personnel and technology development.

Financial risk management

The company manages its financial risk using various financial instruments including loans, foreign exchange contract, cash and trade debtors and trade creditors arising directly from operations. The existence of these financial instruments exposes the company to a number of financial risks, the main ones being liquidity risk and foreign exchange risk.

Liquidity risk is managed with cash flow arising from operations underpinned by an established client subscription base. Foreign exchange risk arises as the majority of the Company's sales re to overseas clients. This is partially hedged with overseas costs in the same currency and limited forward foreign exchange contracts to limit exposure to significant changes in foreign exchange rates.

Financial key performance indicators

The board monitors the performance of the group by reference to a number of key performance indicators including:

	Year ended 31 December 2021	<i>Period ended 31 December 2020</i>
	\$'m	<i>\$'m</i>
Turnover	13,029,098	<i>11,299,300</i>
Gross profit margin	58.3%	<i>51.8%</i>

PHARMASPECTRA GROUP LTD

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

This report was approved by the board on 20/6/2022 and signed on its behalf.

Andrew Murrell

A Murrell
Director

PHARMASPECTRA GROUP LTD

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their report and the financial statements for the year ended 31 December 2021.

Principal activity

The principal activity of the company is the provision of scientific data, key opinion leader mapping and analytics.

Results and dividends

The loss for the year, after taxation, amounted to \$9,730,734 (2020 18-month period: loss \$19,452,545).

Directors

The directors who served during the year were:

B Long
J Moulding
A Murrell
S Nightingale

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, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 and 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

PHARMASPECTRA GROUP LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Going concern

Pharmaspectra Group Ltd is a subsidiary which forms part of the wider Pharmaspectra Topco Ltd Group. The Group's financial statements have been prepared using the going concern basis of accounting, the performance of the Group is relevant to the ability of the subsidiary to continue in operational existence. The directors have reviewed the Group's going concern position taking into account its current business activities, budgeted performance and factors likely to affect its future performance.

As at 31 December 2021 the Group had net current assets of \$5,343,734 (2020 net current liabilities: \$3,555,521). The Group's net cash position has increased as at 31 December 2021 to \$532,962 (2020: \$287,566).

The Group meets its operational working capital requirements through available cash resources and an overdraft facility which was renewed in March 2022. The Group has a strong product portfolio, long term client relationships and is experiencing growth in turnover. There is nonetheless uncertainty in demand for the Group's products and services. The Group's forecast and projections, which have been prepared for a period of at least 12 months from the date of approval of these financial statements, taking into account reasonably possible changes in trading performance show that the Group is able to operate with the level of available resources. The period of assessment for going concern is 12 months from the date of signing the financial statements.

The directors regularly review the Group's liquidity and produce detailed cash forecasts over a short-term period to manage liquidity. These forecasts indicate that the Group and therefore the company is expecting to be able to continue to meet its liabilities as they fall due for the foreseeable future.

The directors have, at the time of approving the financial statements, a reasonable expectation that the business has adequate cash resources available to continue for the foreseeable future, being a period of not less than 12-months from the date of approval of these financial statements. The directors have received confirmation from the ultimate parent company, Pharmaspectra Topco Ltd that the necessary financial support will be available to each of its subsidiaries and therefore, the directors consider that it remains appropriate to prepare the financial statements on a going concern basis.

Directors' report

In preparing this Directors' report, the Directors have complied with S414C(11) of the Companies Act 2006 by including certain disclosures required by S416(4) within the Strategic report.

Future developments

The Company continues to invest in the product and service offering to underpin its long term relationships with its customers. This involves growth in both existing and new geographical markets for the Company.

Research and development

The company has continued to invest in research and development, including the development of new products which will enhance services to existing customer base and support future growth.

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

PHARMASPECTRA GROUP LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Post balance sheet events

After the year end the company reached agreement on both an insurance claim and a separate legal claim. The impact of the insurance claim is reflected in the results of the year as an adjusting post balance sheet item. This has included a reduction in the goodwill balance as it has been assessed that the receipt reflects an adjustment in the opening value of the goodwill balance. The separate legal claim is a non-adjusting post balance sheet item and the impact will be reflected in 2022. The claim resulted in repayment of external loan notes and accrued interest at a discount, the total impact of this reduction is estimated at \$1.5m.

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

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

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

Andrew Murrell

A Murrell
Director
Date: 20/6/2022



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PHARMASPECTRA GROUP LTD

Opinion

We have audited the financial statements of Pharmaspectra Group LTD (the 'company') for the year ended 31 December 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss 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 are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PHARMASPECTRA GROUP LTD
(CONTINUED)**

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.

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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' 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.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PHARMASPECTRA GROUP LTD
(CONTINUED)**

Matter on which we are required to report under the Companies Act 2006

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.

Matters on which we are required to report by exception

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.

Responsibilities of directors for the financial statements

As explained more fully in the 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.

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. This description forms part of our Auditor's Report.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PHARMASPECTRA GROUP LTD
(CONTINUED)**

Explanation as to what extent the audit was considered 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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks being UK GAAP, the Companies Act 2006 and the relevant UK tax compliance regulations.
- We understood how the company is complying with those legal and regulatory frameworks by making enquiries of management. We corroborated our enquiries through our review of board minutes.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to:
 - ◆ potential management bias in determining accounting estimates, especially in relation to the calculation of impairment of intangible assets
 - ◆ the occurrence of revenue and completeness of deferred income
 - ◆ the journal entry process
- These audit procedures were designed to provide reasonable assurance that the financial statements were free of fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PHARMASPECTRA GROUP LTD
(CONTINUED)**

- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
 - understanding of the legal and regulatory requirements specific to the entity including:
 - the provisions of the applicable legislation
 - the applicable statutory provisions
- We did not identify any matters relating to non-compliance with laws and regulation or relating to fraud.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - ◆ the entity's operations, including the nature of its revenue sources and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
 - ◆ the applicable statutory provisions

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.

Grant Thornton UK LLP

Joanne Love LLB FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
Date: 20/6/2022

PHARMASPECTRA GROUP LTD

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

		31 December 2021 \$	<i>18 month Period ended 31 December 2020 \$</i>
Turnover	4	12,868,202	9,903,067
Cost of sales		(1,630,289)	(1,475,061)
Gross profit		<u>11,237,913</u>	<u>8,428,006</u>
Administrative expenses		(18,645,655)	(20,779,147)
Operating loss	5	(7,407,742)	(12,351,141)
Interest receivable and similar income	9	308,919	251
Interest payable and similar expenses	10	(6,938,097)	(7,639,131)
Loss before tax		<u>(14,036,920)</u>	<u>(19,990,021)</u>
Tax on loss	11	4,306,186	537,476
Loss for the financial period		<u>(9,730,734)</u>	<u>(19,452,545)</u>
Total comprehensive loss		<u>(9,730,734)</u>	<u>(19,452,545)</u>

The notes on pages 14 to 32 form part of these financial statements.

PHARMASPECTRA GROUP LTD
REGISTERED NUMBER:12084283

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 \$	2020 \$
Fixed assets			
Intangible assets	12	14,453,432	26,819,977
Tangible assets	13	94,489	28,038
Investments	14	13,851,596	13,271,497
		<u>28,399,517</u>	<u>40,119,512</u>
Current assets			
Debtors: amounts falling due within one year	15	21,062,186	5,632,065
Cash at bank and in hand	16	261,244	70,496
		<u>21,323,430</u>	<u>5,702,561</u>
Creditors: amounts falling due within one year	17	(78,906,225)	(65,274,617)
Net current liabilities		<u>(57,582,795)</u>	<u>(59,572,056)</u>
Total assets less current liabilities		<u>(29,183,278)</u>	<u>(19,452,544)</u>
Net liabilities		<u>(29,183,278)</u>	<u>(19,452,544)</u>
Capital and reserves			
Called up share capital	19	1	1
Profit and loss account	20	(29,183,279)	(19,452,545)
		<u>(29,183,278)</u>	<u>(19,452,544)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Andrew Murrell

A Murrell
Director

Date: 20/6/2022

The notes on pages 14 to 32 form part of these financial statements.

PHARMASPECTRA GROUP LTD

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Profit and loss account	Total equity
	\$	\$	\$
At 1 January 2021	1	(19,452,545)	(19,452,544)
Comprehensive income for the year			
Loss for the year	-	(9,730,734)	(9,730,734)
At 31 December 2021	<u>1</u>	<u>(29,183,279)</u>	<u>(29,183,278)</u>

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

	Called up share capital	Profit and loss account	Total equity
	\$	\$	\$
At incorporation	-	-	-
Comprehensive income for the 18 month period			
Loss for the 18 month period	-	(19,452,545)	(19,452,545)
Shares issued during the 18 month period	1	-	1
At 31 December 2020	<u>1</u>	<u>(19,452,545)</u>	<u>(19,452,544)</u>

The notes on pages 14 to 32 form part of these financial statements.

PHARMASPECTRA GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. General information

Pharmaspectra Group Ltd is a private company limited by shares and incorporated in England & Wales. Its registered head office is located at 3 Bunhill Row, London, England, EC1Y 8YZ.

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 the 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 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.

This information is included in the consolidated financial statements of Pharmaspectra Topco Ltd as at 31 December 2021 and these financial statements may be obtained from Companies House.

2.3 Exemption from preparing consolidated financial statements

The company is a parent company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of any part of the UK and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

2.4 Going concern

Pharmaspectra Group Ltd is a subsidiary which forms part of the wider Pharmaspectra Topco Ltd Group. The Group's financial statements have been prepared using the going concern basis of accounting, the performance of the Group is relevant to the ability of the subsidiary to continue in operational existence. The directors have reviewed the Group's going concern position taking into account its current business activities, budgeted performance and factors likely to affect its future performance.

As at 31 December 2021 the Group had net current assets of \$5,343,734 (2020 net current liabilities: \$3,555,521). The Group's net cash position has increased as at 31 December 2021 to \$532,962 (2020: \$287,566)..

PHARMASPECTRA GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)**2.4 Going concern (continued)**

The Group meets its operational working capital requirements through available cash resources and an overdraft facility which was renewed in March 2022. The Group has a strong product portfolio, long term client relationships and is experiencing growth in turnover. There is nonetheless uncertainty in demand for the Group's products and services. The Group's forecast and projections, which have been prepared for a period of at least 12 months from the date of approval of these financial statements, taking into account reasonably possible changes in trading performance show that the Group is able to operate with the level of available resources. The period of assessment for going concern is 12 months from the date of signing the financial statements.

The directors regularly review the Group's liquidity and produce detailed cash forecasts over a short-term period to manage liquidity. These forecasts indicate that the Group and therefore the company is expecting to be able to continue to meet its liabilities as they fall due for the foreseeable future.

The directors have, at the time of approving the financial statements, a reasonable expectation that the business has adequate cash resources available to continue for the foreseeable future, being a period of not less than 12-months from the date of approval of these financial statements. The directors have received confirmation from the ultimate parent company, Pharmaspectra Topco Ltd that the necessary financial support will be available to each of its subsidiaries and therefore, the directors consider that it remains appropriate to prepare the financial statements on a going concern basis.

2.5 Foreign currency translation**Functional and presentation currency**

The company's functional and presentational currency is USD.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'.

PHARMASPECTRA GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)**2.6 Revenue**

The company typically provides subscription services over a defined contract period. Revenue is recognised over the contract period to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue from a contract to provide services is recognised in the period in which the services are provided when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the delivery of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably

2.7 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.8 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.9 Finance costs

Finance costs are charged to profit or loss 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.

2.10 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

PHARMASPECTRA GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)**2.11 Pensions****Defined contribution pension plan**

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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.

PHARMASPECTRA GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)**2.13 Intangible assets****Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life of 10 years. During the year the goodwill balance has been adjusted to reflect the receipt under an insurance policy.

Other intangible assets

Intangible assets acquired separately from a business are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets acquired in business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably, the intangible asset arises from contractual or other legal rights and the intangible asset is separable from the entity.

Costs associated with maintaining software or databases are recognised as an expense as incurred. Development expenditure on software controlled by the company is capitalised where the costs are directly associated with identifiable and unique projects controlled by the company and where it is probable that future economic benefits will flow to the company.

All other intangible assets are considered to have a finite useful life of 5 years.

PHARMASPECTRA GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

Development or Enhancement costs that are directly attributable to the design and testing of identifiable software products controlled by the company are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probably future economic benefits
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include employee costs incurred where engaged directly in the development.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

Following the initial recognition of the development or enhancement expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less and accumulated amortisation and impairment losses.

Amortisation of the asset begins when the development is complete and the asset is available for use. It is amortised evenly over the period of expected future benefit. The current useful life of capitalised development costs is between 3 and 6 years depending on the classification and assessment of the asset. Amortisation costs are recognised in the Income Statement.

PHARMASPECTRA GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)**2.14 Impairment of non-current assets**

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit's) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Comprehensive Income, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the Statement of Comprehensive Income.

Goodwill is allocated on acquisition to the cash generating unit expected to benefit from the synergies of the combination. Goodwill is included in the carrying value of cash generating units for impairment testing.

2.15 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	- 5 years straight line
Computer equipment	- 3 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.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

PHARMASPECTRA GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)**2.16 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.

2.17 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.18 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.20 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

PHARMASPECTRA GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)**2.20 Financial instruments (continued)**

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

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Certain of the amounts included in the financial statement involve the use of judgement and/or estimation. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience but actual results may differ from the amount in the financial statements. Information about such judgements and estimates is contained in the accounting policies or notes to the financial statements and the key areas are summarised below:

Functional currency

The functional currency of the company has been determined by the directors to be the US dollar. This assessment has been made after due consideration of the factors set out within FRS 102 in determining the primary economic environment in which the entity operates.

Impairment

The directors must determine whether there are indicators of impairment of the company's intangible assets, including goodwill. Factors taken into consideration are the future economic value of the assets and where it is a component on a larger cash generating unit the viability and expected future performance of that unit. The recoverable amount is a source of significant estimation uncertainty and has involved judgement over future cashflows, appropriate discount rates and multiples which have been determined by reference to the cost of borrowing and external reference points.

Intangible assets

Intangible assets are amortised over their useful economic lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Goodwill has been assessed as a 10 year economic life and other intangible assets acquired at acquisition a 5 year economic life, reflecting the period over which value is expected to accrue.

PHARMASPECTRA GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

3. Judgements in applying accounting policies (continued)

Recoverability of amounts owed by group undertakings

Amounts owed by group undertakings are stated at recoverable amounts, after appropriate provision for impairment. Intercompany balances are not expected to be repaid within the next 12 months reflecting the nature of the Group's external shareholder loan. Calculation of the requirement for an impairment charge requires judgement from management on the financial performance of the group company. No provision for bad debts against amounts owed by group undertakings is currently recognised in these financial statements.

Accounting for insurance claim proceeds

The amounts received under the insurance policy have been assessed by the directors as an adjustment to the initial consideration and consequently have been applied as an adjustment to the opening balance of goodwill. This judgement has been made after consideration of the facts supporting the claim.

4. Turnover

The whole of the turnover is attributable to the provision of scientific data, key opinion leader mapping and analytics.

Analysis of turnover by country of destination:

	31 December 2021	<i>18 month Period ended 31 December 2020</i>
	\$	\$
United Kingdom	2,049,546	1,259,213
Europe	2,960,239	2,637,690
USA	7,264,922	5,881,026
Rest of World	593,495	125,138
	<u>12,868,202</u>	<u>9,903,067</u>

5. Operating loss

The operating loss is stated after charging:

	31 December 2021	<i>18 month Period ended 31 December 2020</i>
	\$	\$
Depreciation of tangible fixed assets	21,967	10,506
Amortisation of intangible assets	4,773,816	8,409,696
Exchange differences	218,680	743,563
	<u>4,994,463</u>	<u>8,523,765</u>

PHARMASPECTRA GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

6. Auditor's remuneration

	31 December 2021	<i>18 month Period ended 31 December 2020</i>
	\$	\$
Fees payable to the company's auditor for the audit of the company's annual financial statements	25,025	24,000

7. Employees

	31 December 2021	<i>18 month Period ended 31 December 2020</i>
	\$	\$
Wages and salaries	2,270,918	2,244,430
Social security costs	584,749	315,884
Cost of defined contribution scheme	83,339	51,651
	2,939,006	2,611,965

The average monthly number of employees, including directors, during the year was 23 (2020: 10).

8. Directors' remuneration

	31 December 2021	<i>18 month Period ended 31 December 2020</i>
	\$	\$
Directors' emoluments	560,061	929,697
Company contributions to defined contribution pension schemes	12,119	14,361
	572,180	944,058

The highest paid director received remuneration of \$334,522 (2020: \$564,738).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to \$Nil (2020: \$Nil).

PHARMASPECTRA GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. Interest receivable

	31 December 2021	<i>18 month Period ended 31 December 2020</i>
	\$	\$
Interest receivable	308,919	251

10. Interest payable and similar expenses

	31 December 2021	<i>18 month Period ended 31 December 2020</i>
	\$	\$
Bank interest payable	33,779	1,690
Loans from group undertakings	6,904,318	7,637,441
	6,938,097	7,639,131

PHARMASPECTRA GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. Taxation

	31 December 2021	<i>18 month Period ended 31 December 2020</i>
	\$	\$
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	(1,822,813)	(537,476)
Changes to tax rates	(725,004)	-
Adjustment in respect of prior period	(1,758,369)	-
Total deferred tax	<u>(4,306,186)</u>	<u>(537,476)</u>
Taxation on loss on ordinary activities	<u>(4,306,186)</u>	<u>(537,476)</u>

Factors affecting tax charge for the year/18 month period

The tax assessed for the year/18 month period is lower than (2020: the same as) the standard rate of corporation tax in the UK of 19% (2020: 19%) as set out below:

	31 December 2021	<i>18 month Period ended 31 December 2020</i>
	\$	\$
Loss on ordinary activities before tax	<u>(14,036,920)</u>	<u>(19,990,021)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	(2,667,015)	(3,798,104)
Effects of:		
Fixed-asset-differences	(67,941)	786,263
Expenses not deductible for tax purposes	58,154	228,084
Adjustments to brought forward values	56,732	-
Adjustments to tax charge in respect of prior periods	(1,758,369)	-
Remeasurement of deferred tax for change in tax rates	(1,162,479)	-
Group relief surrendered	1,234,732	2,246,281
Total tax charge for the year/18 month period	<u>(4,306,186)</u>	<u>(537,476)</u>

PHARMASPECTRA GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

12. Intangible assets

	Customer relationships and contracts \$	Software and data \$	Goodwill \$	Patent technolog y \$	Total \$
Cost					
At 1 January 2021	13,718,400	6,931,420	14,579,853	-	35,229,673
Additions	-	-	-	1,907,271	1,907,271
Adjustment to opening balance	-	-	(9,500,000)	-	(9,500,000)
At 31 December 2021	<u>13,718,400</u>	<u>6,931,420</u>	<u>5,079,853</u>	<u>1,907,271</u>	<u>27,636,944</u>
Amortisation					
At 1 January 2021	3,429,600	1,662,820	3,317,276	-	8,409,696
Charge for the year	2,743,680	1,638,410	201,437	190,289	4,773,816
At 31 December 2021	<u>6,173,280</u>	<u>3,301,230</u>	<u>3,518,713</u>	<u>190,289</u>	<u>13,183,512</u>
Net book value					
At 31 December 2021	<u>7,545,120</u>	<u>3,630,190</u>	<u>1,561,140</u>	<u>1,716,982</u>	<u>14,453,432</u>
At 31 December 2020	<u>10,288,800</u>	<u>5,268,600</u>	<u>11,262,577</u>	<u>-</u>	<u>26,819,977</u>

Amortisation on intangible assets is charged to administrative expenses. After the year end the company reached an agreement on an insurance claim. The impact of the insurance claim is reflected in the results of the year as an adjusting post balance sheet event. In particular, this includes a reduction in the goodwill balance as it has been assessed that the receipt reflects and adjustment in the opening value of the goodwill balance.

PHARMASPECTRA GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

13. Tangible fixed assets

	Fixtures and fittings \$	Computer equipment \$	Total \$
Cost or valuation			
At 1 January 2021	255	38,289	38,544
Additions	454	87,964	88,418
At 31 December 2021	<u>709</u>	<u>126,253</u>	<u>126,962</u>
Depreciation			
At 1 January 2021	52	10,454	10,506
Charge for the year	247	21,720	21,967
At 31 December 2021	<u>299</u>	<u>32,174</u>	<u>32,473</u>
Net book value			
At 31 December 2021	<u>410</u>	<u>94,079</u>	<u>94,489</u>
<i>At 31 December 2020</i>	<u>203</u>	<u>27,835</u>	<u>28,038</u>

PHARMASPECTRA GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. Fixed asset investments

	Investments in subsidiary companies \$	Amounts owed by group undertakings \$	Total \$
Cost or valuation			
At 1 January 2021	5,741,651	7,529,846	13,271,497
Additions	-	580,099	580,099
At 31 December 2021	<u>5,741,651</u>	<u>8,109,945</u>	<u>13,851,596</u>
Net book value			
At 31 December 2021	<u>5,741,651</u>	<u>8,109,945</u>	<u>13,851,596</u>
At 31 December 2020	<u>5,741,651</u>	<u>7,529,846</u>	<u>13,271,497</u>

The amounts owed by group undertakings are repayable on demand and incur interest at 12% per annum.

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered office	Principal activity	Class of shares	Holding
Pharmaspectra US LLC	210 Main Street, 2nd Floor Madison, New Jersey 07940	Provision of scientific data, key opinion leader mapping and analytics	Ordinary	100%
Pharmaspectra Informatics Private Ltd	SKCL Central Square 1, 6th Floor, North Wing C-35, Cipet Rd Guindy Industrial Estate, Guindy Chennai, Tamil Nadu 600032	Data processing	Ordinary	100%

PHARMASPECTRA GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

15. Debtors

	2021 \$	2020 \$
Trade debtors	6,156,034	4,575,712
Other debtors	9,620,550	38,389
Prepayments and accrued income	441,940	480,488
Deferred taxation	4,843,662	537,476
	<u>21,062,186</u>	<u>5,632,065</u>

Other debtors include amounts receivable of \$9.5m due under an insurance policy.

16. Cash and cash equivalents

	2021 \$	2020 \$
Cash at bank and in hand	261,244	70,496
Less: bank overdrafts	(875,949)	(885,220)
	<u>(614,705)</u>	<u>(814,724)</u>

17. Creditors: Amounts falling due within one year

	2021 \$	2020 \$
Bank overdrafts	875,949	885,220
Trade creditors	3,147,924	1,317,310
Amounts owed to group undertakings	62,343,801	54,777,158
Other taxation and social security	270,375	454,758
Other creditors	40,866	75,612
Accruals and deferred income	12,227,310	7,764,559
	<u>78,906,225</u>	<u>65,274,617</u>

The amounts owed to group undertakings are unsecured, repayable on demand and incur interest at 12% per annum.

The bank overdraft is secured against the assets of the company.

PHARMASPECTRA GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

18. Deferred taxation

	2021 \$	2020 \$
At beginning of year	537,476	-
Charged to profit or loss	4,306,186	537,476
At end of year	4,843,662	537,476

The deferred tax asset is made up as follows:

	2021 \$	2020 \$
Fixed asset timing differences	1,526,987	509,092
Short term timing differences	27,303	25,365
Losses and other deductions	3,289,372	3,019
	4,843,662	537,476

19. Share capital

	2021 \$	2020 \$
Allotted, called up and fully paid		
1 (2020: 1) Ordinary share of £1 (shares are denominated in GBP)	1	1

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

20. Reserves**Profit and loss account**

Includes all current and prior periods retained profits & losses.

21. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to \$83,339 (2020: \$51,651). Contributions totalling \$4,766 (2020: \$4,606) were payable to the fund at the reporting date and are included in creditors.

PHARMASPECTRA GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

22. Commitments under operating leases

At 31 December 2021 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021	2020
	\$	\$
Not later than 1 year	12,252	70,144
Later than 1 year and not later than 5 years	107,674	77,001
	119,926	147,145

23. Related party transactions

The company has taken advantage of the exemption conferred by Financial Reporting Standard 102 not to disclose transactions with certain group companies on the grounds that the subsidiaries party to the transactions are wholly owned members of the group. There are no other related party transactions.

24. Parent undertaking and controlling party

The immediate parent company is Pharmaspectra Midco 2 Ltd. At 31 December 2021 and subsequently, the company was ultimately owned by Pharmaspectra Topco Ltd, a company incorporated in the United Kingdom which was the parent company of the largest and smallest group of which the company is a member and in which the results of the company are consolidated. Its financial statements can be obtained from 3 Bunhill Row, London, England, EC1Y 8YZ.

At 31 December 2021 and subsequently, the company was owned by a number of private shareholders, Inflexion Enterprise Fund (No.1) Limited Partnership and Inflexion Enterprise Fund IV (No.2) Partnership Guernsey Limited, both registered in Guernsey. Inflexion Private Equity managed funds which owned 77% of the issued share capital at the year end. Accordingly, in the opinion of the directors there is no immediate or ultimate controlling party at 31 December 2021.

25. Post balance sheet events

After the year end the company reached agreement on both an insurance claim and a separate legal claim. The impact of the insurance claim is reflected in the results of the year as an adjusting post balance sheet item. This has included a reduction in the goodwill balance as it has been assessed that the receipt reflects an adjustment in the opening value of the goodwill balance. The separate legal claim is a non-adjusting post balance sheet item and the impact will be reflected in 2022. The claim resulted in repayment of external loan notes and accrued interest at a discount, the total impact of this reduction is, estimated at \$1.5m.