

Biocair International Limited

Annual Report and Financial Statements

Year Ended

31 December 2020

Company Number 02070874



Biocair International Limited

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Biocair International Limited

Company Information

Directors	C R Cooke C Favre-Lorraine V J Howard B R Demoge
Registered number	02070874
Registered office	Iconix 1 Iconix Park London Road Pampisford Cambridge CB22 3EG
Independent auditor	BDO LLP Newton House Cambridge Business Park Cambridge CB4 0WZ

Biocair International Limited

Strategic Report For the Year Ended 31 December 2020

The directors present their strategic report together with the audited financial statements for the year ended 31 December 2020.

Business review

The principal activity of the company continues to be specialising in the forwarding of medical and research materials. The majority of materials are exported from the United Kingdom.

The company's loss for the year after taxation was £430,579 (2019 - profit of £214,012).

As a specialised logistics business, the company continues to focus on the pharmaceutical, biotechnology and medical research industries. We provide our services to some of the world's largest pharmaceutical research and development operations.

Principal risks and uncertainties

The principal risks and uncertainties of the company are as follows:

A large proportion of turnover was generated from UK customers, which led to uncertainties after the vote by the UK population to leave the European Union and the subsequent extensions created a significant level of uncertainty for the UK economy. The risks have been mitigated by all departmental projects being undertaken to reduce the operational impact of amendments to import and exports from the UK. As part of the expansion plans of the business, these risks are being further mitigated by continued expansion of the business into other geographies including Asia, Continental Europe and Africa to stop our reliance of a single market and diversify our portfolio of client offerings. During 2021, we have been strengthening the number of operational staff to support greater volumes of international shipments and leveraging our existing presence within the wider European Union to minimise disruption, this has allowed us to successfully transition through the Brexit transition period during 2021.

Both the pharmaceutical and the biotechnology markets are undergoing a continuing period of change and consolidation. This consolidation presents a risk to Biocair with existing customers potentially being merged into larger entities with different preferred suppliers. Biocair continues to manage this risk by differentiating the service provided to customers and developing strong relationships with our customers.

Concentration of revenue also presents a risk to the company. The risk is again being mitigated through the business development strategy looking to offer a wider range of solutions and attract more and varied customers to the business. We are also working with existing customers to grow their business.

The company has a strong care ethic and empathy with its customers. It is totally and exclusively dedicated to its existing market and has the most comprehensive service currently available. This allows scientist customers to concentrate fully on research and development. The expertise and accuracy of our service allows medical research products to be transported securely and legally, therefore eliminating the risk of substantial consequential losses in research and development time and revenue.

Biocair's success has been based on the realisation that knowledge is the key determinant of success in this field.

In March 2020, the World Health Organization declared the global coronavirus (COVID-19) outbreak a pandemic, the company has been monitoring the situation closely as it has continued to evolve through lockdowns with known risks being managed to support our customer's requirements. Appropriate steps have been taken to mitigate the known risks as far as possible within the context of the uncertainties of the COVID-19 situation.

Biocair International Limited

Strategic Report (continued) For the Year Ended 31 December 2020

Principal risks and uncertainties (continued)

Biocair has continued its sales and marketing efforts throughout the crisis and still continues to do so now restrictions are mostly lifting, which has allowed the company to use its ability to provide flexible solutions during the COVID-19 crisis to attract new customers and diversify our portfolio offering to clients. The company has seen a number of successes, including picking up work for the Department of Health and Social Care supporting some COVID-19 related shipments. As customers have managed to get their businesses back up and running as the crisis has eased, we have seen usual business return as well as supporting the additional shipments from new business activities, recording our largest number of shipments in 2021. We have been impacted by rising airline and carrier prices from the pandemic which have put pressure on our margin and continue to monitor this closely.

The company continues to work with its supplier base to try to reduce costs and has decided to invest in extra resources in the supplier management department to specifically drive down supplier costs. This is expected to ensure that costs return to a "normal" level as soon as possible. We are also continuing our efforts to find new solutions where original carriers have not yet released the flight restrictions. All of this should continue to support the gross margin of the business.

We have carried out a full risk assessment of our offices and put in place measures to protect the wellbeing of our staff as they return to our offices. Within our largest operating team in Cambridge we have increased the number of staff working in the office to boost efficiency, whilst maintaining safety of staff at all times. We will continue to monitor the situation and make changes where necessary to allow more of our operating staff to return to working in the office.

Biocair are currently in discussions with GeoPost to ensure that the maximum cash requirement explained above is signed off and available to Biocair when needed. We have received verbal assurances from GeoPost regarding the availability of such a cash injection.

Financial risk management

The company makes little use of financial instruments other than operational bank accounts. Hence its exposure to price, credit, counterparty and liquidity risks is not material for the assessment of the assets, liabilities, financial position and profit and loss of the company.

In addition debt collection and cash flow are not deemed to be material risk as the company receives support from parent company, Geopost, when required.


Key performance indicators

We consider that our key performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover growth and gross profit margin.

The company has seen an increase of 15% in overall turnover over the prior year.

Gross profit margin has remained relatively stable, decreasing slightly to 37.5% in the year to 31 December 2020, as compared to 40.5% in the year ended 31 December 2019.

This report was approved by the board on 12th April 2022 and signed on its behalf.

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C R Cooke
Director

Biocair International Limited

Directors' Report For the Year Ended 31 December 2020

The directors present their report together with the audited financial statements for the year ended 31 December 2020.

Results and dividends

The loss for the year, after taxation, amounted to £430,579 (2019 - profit £214,012).

The directors do not recommend payment of a dividend (2019 - £Nil).

Business review

A review of the business and its principal risks and uncertainties is set out in the strategic report on pages 1 to 2 of the financial statements.

Directors

The directors who served during the year were:

C R Cooke
C Favre-Lorraine
V J Howard
B R Demoge (appointed 2 January 2020)
A B Jillings (resigned 18 September 2020)
F Copigneaux (resigned 2 January 2020)

Going concern

Based on our going concern assessment, the company have got adequate financial resources to continue operating as a going concern for a period of at least 12 months from the date of approval of these financial statements. However, the ability of the company to continue as a going concern is dependent on the financial support from its parent company, Geopost, in the form of not recalling amounts owed to Geopost and providing additional funding if required. The directors have obtained a confirmation from Geopost that the intercompany debt will not be called for payment for a period of at least twelve (12) months from the issuance of these financial statements and confirmed their ability to provide additional financial support if required.

Future developments

The company will continue to develop relationships with customers in its core markets whilst expanding its geographical presence. It will invest in its people and technology alongside strengthening its partner network to deliver best in class specialist logistics solutions for its customers. This will be carried out whilst promoting the company's core values and reacting to opportunities presented within the marketplace.

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


Biocair International Limited

Directors' Report (continued) For the Year Ended 31 December 2020

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 12th April 2022 and signed on its behalf.

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C R Cooke
Director

Biocair International Limited

Directors' Responsibilities Statement For the Year Ended 31 December 2020

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; and
- 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.

Biocair International Limited

Independent Auditor's Report to the Members of Biocair International 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 December 2020 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.

We have audited the financial statements of Biocair International Limited ("the Company") for the year ended 31 December 2020 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. 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.

Independence

We remain 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.

Biocair International Limited

Independent Auditor's Report to the Members of Biocair International Limited (continued)

Other information

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

Responsibilities of directors

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.

Biocair International Limited

Independent Auditor's Report to the Members of Biocair International Limited (continued)

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:

The objectives of our audit, in respect to irregularities, including fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; to respond appropriately to fraud or suspected fraud identified during the audit, to obtain audit evidence regarding compliance with provisions of applicable laws and regulations, and to respond appropriately to any non-compliance identified. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to Biocair International Ltd.
- We determined that the most significant laws and regulations which are directly relevant to specific assertions in the financial statements are those related to the reporting framework (FRS 102 and the Companies Act 2006), labour regulations and tax in the United Kingdom.
- We understood how the Company is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes and review of material legal costs in the period.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where it is considered there was a susceptibility to fraud. We also considered potential fraud drivers: including financial or other pressures, opportunity, and personal or corporate motivations. We considered the processes and controls that the Company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journals and review of key areas of estimation uncertainty and judgement for example impairment assessment.

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.

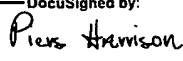
A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Biocair International Limited

Independent Auditor's Report to the Members of Biocair International Limited (continued)

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.

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Piers Harrison (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Cambridge
United Kingdom

13 April 2022

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

Biocair International Limited

Statement of Comprehensive Income For the Year Ended 31 December 2020

	Note	2020 £	2019 £
Turnover	4	11,852,172	10,176,796
Cost of sales		(7,316,389)	(5,990,127)
Gross profit		4,535,783	4,186,669
Administrative expenses		(7,301,442)	(7,009,878)
Other operating income	5	2,000,807	2,278,090
Operating loss	6	(764,852)	(545,119)
Income from fixed assets investments	10	356,958	818,234
Interest receivable and similar income	11	21,544	23,946
Interest payable and similar charges	12	(44,229)	(41,724)
(Loss)/profit before tax		(430,579)	255,337
Tax on (loss)/profit	13	-	(41,325)
(Loss)/profit for the financial year		(430,579)	214,012
Total comprehensive (loss)/income for the year		(430,579)	214,012

There were no recognised gains or losses for 2020 or 2019 other than those included in the statement of comprehensive income.

The notes on pages 13 to 29 form part of these financial statements.


Biocair International Limited

Registered number: 02070874

Statement of Financial Position As at 31 December 2020

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Intangible assets	14		596,460		578,347
Tangible assets	15		626,766		732,965
Investments	16		3,328,622		2,604,186
			<u>4,551,848</u>		<u>3,915,498</u>
Current assets					
Stocks	17	471,730		385,388	
Debtors: amounts falling due within one year	18	7,791,360		5,464,327	
Cash at bank and in hand		353,192		860,406	
		<u>8,616,282</u>		<u>6,710,121</u>	
Creditors: amounts falling due within one year	19	(12,615,879)		(9,647,744)	
Net current liabilities			(3,999,597)		(2,937,623)
Provisions for liabilities					
Other provisions	20	(109,004)		(104,049)	
			<u>(109,004)</u>		<u>(104,049)</u>
Net assets			443,247		873,826
Capital and reserves					
Called up share capital	21		114		114
Share premium account	22		99,749		99,749
Profit and loss account	22		343,384		773,963
Total equity			443,247		873,826

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12th April 2022 .

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C R Cooke
Director

The notes on pages 13 to 29 form part of these financial statements.

Biocair International Limited

Statement of Changes in Equity For the Year Ended 31 December 2020

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2020	114	99,749	773,963	873,826
Comprehensive loss for the year				
Loss for the year	-	-	(430,579)	(430,579)
Total comprehensive loss for the year	-	-	(430,579)	(430,579)
At 31 December 2020	114	99,749	343,384	443,247

Statement of Changes in Equity For the Year Ended 31 December 2019

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2019	114	99,749	559,951	659,814
Comprehensive income for the year				
Profit for the year	-	-	214,012	214,012
Total comprehensive income for the year	-	-	214,012	214,012
At 31 December 2019	114	99,749	773,963	873,826

The notes on pages 13 to 29 form part of these financial statements.

Biocair International Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

1. General information

Biocair International Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is on the company information page and the nature of the company's operations and its principal activities are set out 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 Going concern

The financial statements have been prepared on a going concern basis. The company operations were interrupted during the year due to the impact of COVID-19, mainly due to supply chain disruption. This has led to an increase in direct costs, as freight rates have seen a significant increase. In order to mitigate risks management continued to invest heavily in sales and marketing activity which led to large sales growth; in particular using the company's ability to provide flexible solutions during the COVID-19 crisis to attract new customers. The company continued to work with its supplier base to try to reduce costs and has decided to invest in an extra resource in the supplier Management department to specifically drive down supplier costs. Management also secured additional funding from Geopost S.A to ensure that the company maintains its cash levels required to meet its short and medium terms liabilities.

Management have prepared forecasts and budget for the next six years considering the expected impacts of COVID-19 and Brexit on the business.

Based on the analysis performed management concluded that the company has adequate financial resources to continue operating as a going concern for a period of at least 12 months from the date of approval of these financial statements, the directors of Biocair International Limited therefore consider it appropriate to prepare the accounts on a going concern basis.

However based on their assessment, directors concluded that the ability of the company to continue as a going concern is dependent on the provision of financial support from its parent company, Geopost S.A, in the form of not recalling the amounts owed by the company to Geopost S.A and provision of additional funding when required. The directors have obtained a confirmation from Geopost that the intercompany debt will not be called for payment for a period of at least twelve (12) months from the date of approval of these financials statements and will provide additional funding if required to ensure Biocair Int Ltd is able to meet its short and mid term cash requirements.

Biocair International Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.3 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; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of La Poste as at 31 December 2020 and these financial statements may be obtained from the following location: legroupe.laposte.fr/en/finance/publications.

2.4 Consolidated financial statements

The financial statements contain information about Biocair International Limited as an individual company and do not contain consolidated financial information as the parent of the 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 EEA group accounts of a larger group.

2.5 Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales. Turnover is recognised on delivery of the clients assignment.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the statement of comprehensive income during the period in which they are incurred.

Biocair International Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

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.

The estimated useful lives range as follows:

Long-term leasehold property	- straight line - over the remaining lease term
Plant and machinery	- straight line - 5 years
Motor vehicles	- straight line - 5 years with a residual value of 5%
Fixtures and fittings	- straight line - 10 years
Computer equipment	- straight line - 3 years

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 within 'administration expenses', in the statement of comprehensive income.

The cost of tangible fixed assets includes an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, where such obligations exist, for example under the terms of a property lease. A provision is simultaneously recorded for such estimated costs.

2.7 Intangible fixed assets

Intangible fixed assets, comprising software development costs, are stated at cost less amortisation and are amortised on a straight line basis over their expected useful lives which the directors consider to be 5 years. Where there is evidence of impairment, intangible assets are written down to recoverable amount.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the statement of comprehensive income.

2.10 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.

Biocair International Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.11 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.

2.12 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable 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 payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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.

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. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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, 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.

2.13 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.

Biocair International Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.14 Foreign currency translation

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 the statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

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'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other operating income'.

2.15 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.

2.16 Leases

Operating leases

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the period of the lease.

Finance leases

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the statement of comprehensive income over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the statement of comprehensive income over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

2.17 Pensions

Contributions to the company's defined contribution scheme are charged to statement of comprehensive income in the year in which they become payable.

Biocair International Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.18 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 the statement of comprehensive income 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.

2.19 Current and deferred taxation

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.

Biocair International Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

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

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether there are indicators of impairment of the company's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Bad debts (see note 18)
Bad debts are recorded on a line by line basis. Factors taken into account when considering whether a bad debt should be recorded are the ageing of the balance, past cash collection and other external indicators that the balance may not be recoverable.

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 15)
Tangible fixed assets are depreciated over their useful 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. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- Investments (see note 16)
The company makes an estimate of the realisable value of its investments. When assessing impairment of investments, management considers factors including the current and predicted future profitability of the investment, future cash flows from the investments and the discount factors to be applied.

4. Turnover

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	11,646,587	8,779,581
Rest of Europe	89,742	460,197
Rest of the world	115,843	937,018
	<u>11,852,172</u>	<u>10,176,796</u>

Turnover is wholly attributable to the principal activity of the company.

Biocair International Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

5. Other operating income

	2020 £	2019 £
Management charges	<u>2,000,807</u>	<u>2,278,090</u>

6. Operating loss

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

	2020 £	2019 £
Amortisation on intangible fixed assets	214,215	123,954
Depreciation of tangible fixed assets	205,419	230,914
Operating lease expenses	338,959	360,783
Exchange differences	2,192	(67,889)
Defined contribution pension cost	<u>332,432</u>	<u>273,433</u>

7. Auditor's remuneration

	2020 £	2019 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	30,000	21,000
Other services relating to taxation advisory	<u>5,500</u>	<u>5,300</u>

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2020 £	2019 £
Wages and salaries	4,826,608	4,716,719
Social security costs	546,683	368,128
Cost of defined contribution scheme	<u>332,432</u>	<u>273,433</u>
	<u>5,705,723</u>	<u>5,358,280</u>

The average number of employees, including the directors, during the year was 87 (2019 - 77).

Biocair International Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

9. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	578,545	359,710
Company contributions to defined contribution pension schemes	25,791	21,367
	<u>604,336</u>	<u>381,077</u>

There were 2 directors in the company's money purchase scheme during the year (2019 - 2).

The highest paid director received remuneration of £316,236 (2019 - £209,081).

Company pension contributions of £25,584 (2019 - £21,367) were made to a money purchase scheme on their behalf.

10. Income from investments

	2020 £	2019 £
Income from fixed asset investments	<u>356,958</u>	<u>818,234</u>

11. Interest receivable and similar income

	2020 £	2019 £
Other interest receivable	<u>21,544</u>	<u>23,946</u>

12. Interest payable and similar expenses

	2020 £	2019 £
Other interest payable	<u>44,229</u>	<u>41,724</u>

Biocair International Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

13. Taxation

	2020 £	2019 £
Current tax on (loss)/profit for the year	-	-
Foreign tax		
Foreign tax on (loss)/income for the year	-	41,325
Total current tax	<u>-</u>	<u>41,325</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
(Loss)/profit on ordinary activities before tax	<u>(430,579)</u>	<u>255,337</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(81,810)	48,514
Effects of:		
Expenses not deductible for tax purposes	8,683	20,544
Income not taxable	(67,822)	(155,464)
Other permanent differences	9,411	22,612
Adjust closing deferred tax to average rate of 19%	50,227	59,547
Adjust opening deferred tax to average rate of 19%	(111,803)	(50,227)
Adjustments to tax charge in respect of previous periods	-	16,575
Deferred tax not recognised	193,114	79,224
Total tax charge for the year	<u>-</u>	<u>41,325</u>

At 31 December 2020 the company had a deferred tax asset of £716,510 (2019 - £506,151). The deferred tax asset has not been recognised due to the uncertainty over the timing and extent of the reversal.

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

Biocair International Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

14. Intangible assets

	Computer software £
Cost	
At 1 January 2020	1,586,523
Additions	232,328
At 31 December 2020	<u>1,818,851</u>
Amortisation	
At 1 January 2020	1,008,176
Charge for the year	214,215
At 31 December 2020	<u>1,222,391</u>
Net book value	
At 31 December 2020	<u>596,460</u>
At 31 December 2019	<u>578,347</u>

Biocair International Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

15. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost						
At 1 January 2020	354,908	199,786	643,364	115,700	412,202	1,725,960
Additions	-	12,568	-	18,138	38,818	69,524
Disposals	-	-	(5,354)	-	-	(5,354)
At 31 December 2020	<u>354,908</u>	<u>212,354</u>	<u>638,010</u>	<u>133,838</u>	<u>451,020</u>	<u>1,790,130</u>
Depreciation						
At 1 January 2020	148,326	172,528	322,855	53,189	296,097	992,995
Charge for the year	34,444	11,423	88,347	22,635	48,570	205,419
Disposals	-	-	(35,050)	-	-	(35,050)
At 31 December 2020	<u>182,770</u>	<u>183,951</u>	<u>376,152</u>	<u>75,824</u>	<u>344,667</u>	<u>1,163,364</u>
Net book value						
At 31 December 2020	<u>172,138</u>	<u>28,403</u>	<u>261,858</u>	<u>58,014</u>	<u>106,353</u>	<u>626,766</u>
At 31 December 2019	<u>206,582</u>	<u>27,258</u>	<u>320,509</u>	<u>62,511</u>	<u>116,105</u>	<u>732,965</u>

16. Fixed asset investments

	Investments in subsidiary companies £
Cost and net book value	
At 1 January 2020	2,604,186
Transfer from current assets	724,436
At 31 December 2020	<u>3,328,622</u>

The transfer from current assets relates to the reclassification of certain amounts owed by group undertakings to reflect the nature and time of expected settlement based on management's expectations at the year end.

Biocair International Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

16. Fixed asset investments (continued)

Direct subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holdings	Registered address	Country of incorporation	Principal activity
Biocair Asia Limited	Ordinary	100%	Unit 907-910, 118 Connaught Road West, Hong Kong	Hong Kong	Forwarding medical and research material
Biocair Belgium N.V. Belgium	Ordinary	99%	Leuvensesteenweg 350 De Malt, 3190 Boortmeerbeek, Belgium	Belgium	Forwarding medical and research material
Biocair Germany GmbH	Ordinary	100%	Biocair Germany GmbH, Kelsterbacher Str. 64, 65479 Raunheim	Germany	Forwarding medical and research material
Biocair South Africa (Pty) Ltd	Ordinary	100%	1011 Pretorius Avenue South, Centurion Science Park Phase III First Floor, Lyttleton Manor Centurion 0157, Pretoria	South Africa	Forwarding medical and research material
Biocair Australia (Pty) Limited	Ordinary	100%	Level 11, Margaret Street, Sydney, NW 2000	Australia	Dormant

Biocair International Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

16. Fixed asset investments (continued)

Indirect subsidiary undertakings

Name	Class of shares	Holdings	Registered address	Country of incorporation	Principal activity
Biocair International Forwarding (Shanghai) Co. Ltd	Ordinary	100%	5th Building, 1500 Zuchongzhi Road, PuDong District, Shanghai 201203	China	Forwarding medical and research material

Biocair International Limited indirectly owns 100% of Biocair Belgium N.V. given that the remaining 1% of share capital is owned by Biocair Asia Limited, a 100% subsidiary of Biocair International Limited.

Biocair International Limited indirectly own 100% of the share capital of Biocair International Forwarding (Shanghai) Co. Limited and Biocair Singapore Pte Ltd, 100% subsidiaries of Biocair Asia Limited.

The aggregate of the share capital and reserves as at 31 December 2020 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Net assets/ (liabilities) £	Profit/(loss) £
Biocair Asia Limited	2,274,916	(252,555)
Biocair Belgium N.V.	586,188	(26,879)
Biocair Germany GmbH	(1,441,704)	(329,870)
Biocair South Africa (Pty) Ltd	(96,743)	99,805
Biocair Australia (Pty) Limited	(130,686)	(5,594)
	<u> </u>	<u> </u>

17. Stocks

	2020 £	2019 £
Finished goods and goods for resale	471,730	385,388
	<u> </u>	<u> </u>

There was no impairment loss recognised in the year (2019 - £Nil) due to slow-moving and obsolete stock.

There is no material difference between the replacement cost of stocks and the amounts stated above.

Biocair International Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

18. Debtors: amounts falling due within one year

	2020 £	2019 £
Trade debtors	2,315,150	1,942,431
Amounts owed by group undertakings	4,652,051	3,088,922
Other debtors	311,406	169,691
Prepayments and accrued income	512,753	263,283
	<u>7,791,360</u>	<u>5,464,327</u>

The impairment loss recognised in profit and loss for the year in respect of bad and doubtful trade debtors and inter-company receivables were £248,674 (2019 - £110,833) and £118,500 (2019 - 118,500) respectively.

19. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	1,618,411	978,704
Amounts owed to group undertakings	8,645,963	6,416,610
Other taxation and social security	283,687	121,996
Other creditors	48,413	158,882
Accruals and deferred income	2,019,405	1,971,552
	<u>12,615,879</u>	<u>9,647,744</u>

20. Provisions

	Dilapidations £
At 1 January 2020	104,049
Charged to profit or loss	4,955
At 31 December 2020	<u><u>109,004</u></u>

21. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
11,396 ordinary shares of £0.01 each	114	114
	<u><u>114</u></u>	<u><u>114</u></u>

Biocair International Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

21. Share capital (continued)

The ordinary shares give the shareholders the right to carry one vote per share, participate equally in dividends and, if the company is wound up, share in the proceeds of the company's assets after all the debts have been paid.

22. Reserves

The company's capital and reserves are as follows:

Called up share capital

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

Share premium account

The share premium account includes the premium arisen on the 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 adjustments.

23. 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 £332,432 (2019 - £273,433). Contributions totalling £41,507 (2019 - £25,361) were payable to the fund at the reporting date.

24. Commitments under operating leases

At 31 December 2020 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Not later than 1 year	264,587	325,770
Later than 1 year and not later than 5 years	691,796	926,276
	<u>956,383</u>	<u>1,252,046</u>

Biocair International Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

25. Related party transactions

The company has taken advantage of the exemption conferred by section 33.1A of FRS 102 not to disclose transactions with other wholly owned subsidiaries within the group as consolidated accounts, including the subsidiary undertakings, are publicly available.

Key management personnel includes all directors who have authority and responsibilities for planning, directing and controlling the activities of the company. Full details of the remuneration and the contributions made to defined contributions pension schemes on their behalf are included in note 9 of the financial statements.

26. Ultimate parent company and controlling party

The company is a subsidiary of Geopost Americas Inc. which is the immediate parent company incorporated in the USA. The ultimate parent company is LaPoste which is incorporated in France.

The largest group in which the results of the company are consolidated is that headed by LaPoste, incorporated in France. The smallest group in which they are consolidated is that headed by Geopost Americas Inc. incorporated in the USA.