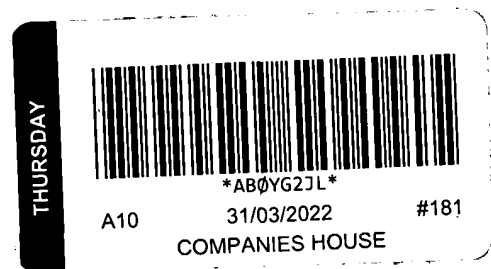


Company Registration No. 03488862 (England and Wales)

OXFORD PHARMAGENESIS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021



OXFORD PHARMAGENESIS LIMITED

COMPANY INFORMATION

Directors	G A B Shelton R White C C Winchester
Company number	03488862
Registered office	Tubney Warren Barn Tubney Abingdon Oxfordshire OX13 5QJ
Auditor	Shaw Gibbs (Audit) Limited 264 Banbury Road Oxford OX2 7DY

OXFORD PHARMAGENESIS LIMITED

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OXFORD PHARMAGENESIS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 OCTOBER 2021

The directors present the strategic report for the year ended 31 October 2021.

Review of business

Founded in 1998, Oxford PharmaGenesis is proud to be an independently owned consultancy in a sector increasingly populated by corporate communications conglomerates. The company's principal activity is the provision of HealthScience communications primarily to the global pharmaceutical industry.

Oxford PharmaGenesis has a diverse client base. In addition to being a preferred supplier to some of the largest global pharmaceutical companies, the company also serves small and mid-size pharmaceutical and biotechnology companies, device and diagnostic companies, professional societies, patient groups and academic institutions.

The company achieved strong revenue growth of almost 20% in the year ended 31 October 2021. This growth helped to increase profit before tax by approximately 29%.

Stakeholder commitments

The long-term success of Oxford PharmaGenesis is built on the foundations of strong relationships with stakeholders. Led by the directors, positive and active engagement with stakeholders is promoted throughout the business and is a fundamental part of our culture and philosophy. As an independent, owner-managed business, the company is able to prioritize the long-term sustainability of our relationships with our people, our clients, our partners and suppliers, and our community and environment.

Our people

Our people are at the heart of everything we do. Built into our philosophy is the aim to nurture individual development by using our growth to generate opportunities for progression.

Clear communication is achieved through regular company-wide meetings, an informative intranet, employee forums and regular employee engagement surveys. All teams have clear representation on each of the Local Management Teams and therefore the Global Leadership Team and Board. We continue to evolve our structure as we grow, to ensure that decision-making is devolved to as close to our client-facing teams as possible.

Employee wellbeing is fundamental to our culture, and we continue to invest in our employee benefits and support. These have been adapted in recent years to ensure they are inclusive for home-based workers. We continually review our employee benefits package to ensure this remains attractive.

We place high importance on attracting and retaining excellent people. Based on feedback from our people, we are a certified Great Place to Work and Best Workplace for Women, and have also achieved Excellence in Wellbeing.

Our clients

Fostering client trust and long-term partnerships forms a central part of our strategy, achieved through delivering high-quality work and exceptional service.

These activities have the most impact when our clients trust us and support these initiatives themselves. We pride ourselves on being a preferred supplier to 8 of the top 10 global pharmaceutical companies as well as many smaller companies responsible for much of the innovation in our industry, and consistently maintaining excellent client retention rates.

We invest heavily in thought leadership to improve the transparency, reach and societal benefit of our industry. This includes leadership of the Open Pharma initiative to connect pharmaceutical companies with innovations in publishing and disclosure to achieve a transparent publication process with outputs that are accessible and understandable by all. We also participate in industry conferences and exhibitions, promoting the sharing of best practice in medical communications.

OXFORD PHARMAGENESIS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

Our partners and suppliers

We recognise the importance of building long-lasting relationships with partners and suppliers and want them to enjoy working with us. We treat them fairly when negotiating contracts and prioritise service quality. We believe in paying our suppliers promptly and do not seek extended payment terms or prompt payment discounts.

We ensure we engage at a senior level with all key suppliers on a regular basis to ensure any issues are addressed and we plan for changes together. This approach has helped us to maintain excellent long-standing relationships with our key suppliers.

Our community and environment

The most important impact we have is through our work for our clients, which ensures that healthcare professionals, patients and other stakeholders receive high-quality and timely evidence on innovations in healthcare, not least during a pandemic. This underpins our mission, 'To help our clients bring evidence-based treatments to patients in areas of unmet medical need' which reflects our passion and belief that our work creates huge benefit for wider society.

It is important that each of our offices makes a positive contribution to the local community as well as wider society. This impact is guided by our colleagues and supported by all levels of the company. Together we fundraise for initiatives which work towards the betterment of health, people and society. Each Oxford PharmaGenesis office has its own charity team who coordinate a bottom-up approach to fundraising events in their respective office and across the wider company. The company's matched funding scheme supports colleagues in their fundraising activities. There was an array of fundraising initiatives in the year, including running and walking events, charity clothing drives, knitathons and donations to food hubs. The Charity Team also administered donations to charitable and community causes prioritized by the Board.

The company is in the process of developing a detailed Environmental Strategy to help us reduce our environmental footprint. A formal exercise has been undertaken in line with the Greenhouse Gas Reporting Protocol – Corporate Standard to measure our carbon footprint in the UK. Emissions of carbon dioxide equivalent during the year ended 31 October 2021 (CO₂e (tonnes)) for UK operations were as follows:

	Scope	2020/21 CO ₂ e (tonnes)
Combustion of gas (natural)	1	37.12
Combustion of gas (LPG)	1	36.09
Purchase of electricity for UK operations	2	33.01
Consumption of fuel for the purposes of UK business mileage	2	1.01
Consumption of fuel for the purposes of UK transport	3	0.59
Consumption of fuel for the purposes of air transport from the UK	3	5.73
Consumption of fuel for the purposes of international transport for UK employees	3	0.04
Total		113.59
Number of UK employees		309
Intensity ratio (CO₂e tonnes per employee)		0.37

The directors note that the COVID-19 pandemic led to significantly reduced levels of travel and altered working arrangements during this period. We aim to repeat this exercise annually to measure progress in managing and, where possible, reducing our greenhouse gas emissions but note that due to the ongoing COVID-19 pandemic these may not be a representative baseline.

OXFORD PHARMAGENESIS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

Principal risks and uncertainties

The continuing success of the company depends on retaining excellent people, delivering high quality work and maintaining strong client relationships.

The biggest risk to the company is losing a major client, for example, as a result of sector merger and acquisition activity, or a client rationalising its supplier base. These events can also present opportunities for additional business. We have a strong heritage of maintaining lasting client relationships. We serve a diverse client base and are also diversified within our clients' organisations, providing specialist services to a wide range of departments and functions.

We place great emphasis on recruiting, training and retaining excellent people across our offices in Oxford, London, Cardiff and Cambridge, as well as remotely. Our growth has enabled us to offer our people excellent opportunities for rewarding work and career progression, contributing to our strong retention rate.

Financial risk management objectives and policies

The Board regularly reviews the financial requirements of the company and the associated risks. The company continues to maintain strong cash and reserves. Details of the company's financial risk management objectives and policies are included in note 19 to the accounts.

Outlook

The outlook for Oxford PharmaGenesis remains extremely positive. The company has continued to grow during 2022 in terms of both people and revenue and we expect and plan for this trend to continue for the foreseeable future.

We will continue to value the excellent work delivered by our people and the special client relationships we have built. We look forward to a positive year ahead.

Other information and explanations

The Board regularly reviews the financial requirements of the company and the associated risks. We hold currency reserves in multiple currencies. Details of the company financial risk management objectives and policies are included in note 19 to the accounts.

On behalf of the board



G A B Shelton

Director

Date: 29 March 2022

OXFORD PHARMAGENESIS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2021

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

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

G A B Shelton
R White
C C Winchester

Results and dividends

The results for the year are set out on page 9.

An interim dividend of £4,200,000 was paid during the year to the holding company (2020: £Nil).

On 15 March 2022, the company declared an interim dividend of £6.75m.

Energy and carbon report

As the company has consumed more than 40,000 kWh of energy in this reporting period, the company is therefore required to report on its emissions of carbon dioxide equivalent, the analysis of this have been included in the strategic report.

Employee policies, training and development

The company treats all staff and job applicants equally. Selection, recruitment, advancement and promotion are based on merit and not on any consideration of age, gender, marital status, colour or religion.

Training is provided for all of the company's key services. Company policy is to deliver consistently high client service through continuous monitoring and feedback on deliverables and administration activities, assisted by regular in-house or external coaching and training.

Disabled persons

The company continues to recognise its social and statutory duty to employ disabled persons, and pursues a policy of providing, where possible, the same employment opportunities to disabled persons as to others.

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

Charitable donations

During the year the company made charitable donations of £20,288 (2020: £15,970).

OXFORD PHARMAGENESIS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

Statement of directors' responsibilities

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and 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.

Auditor

Shaw Gibbs (Audit) Limited were appointed as auditor to the company and in accordance with section 487 (2) of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board


G A B Shelton
Director

29 March 2022

OXFORD PHARMAGENESIS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OXFORD PHARMAGENESIS LIMITED

Opinion

We have audited the financial statements of Oxford PharmaGenesis Limited (the 'company') for the year ended 31 October 2021 set out on pages 9 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 October 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

OXFORD PHARMAGENESIS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF OXFORD PHARMAGENESIS LIMITED

Matters on which we are required to report by exception

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 and the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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.

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.

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.

1. At the planning stage of the audit we gain an understanding of the laws and regulations which apply to the company and how the management seek to comply with those laws regulations. This helps us to plan appropriate risk assessments.
2. During the audit we focused on relevant risk areas and review the compliance with the laws and regulations by making relevant enquiries and undertaking corroboration, for example by reviewing Board Minutes and other documentation.
3. We assessed the risk of material misstatement in the financial statements including as a result of fraud and undertook procedures including:
 - a. Reviewing the controls set in place by management

OXFORD PHARMAGENESIS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF OXFORD PHARMAGENESIS LIMITED

- b. Making enquiries of management as to whether they consider fraud or other irregularity may have taken place, or where such opportunity might exist
- c. Challenging management assumptions with regard to accounting estimates
- d. Identifying and testing journal entries, particularly those which appear to be unusual by size or nature

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

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.



Stephen Howard Neal (Senior Statutory Auditor)
For and on behalf of Shaw Gibbs (Audit) Limited

Date: 29 March 2022

Chartered Certified Accountants
Statutory Auditor

264 Banbury Road
Oxford
OX2 7DY

OXFORD PHARMAGENESIS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 OCTOBER 2021

	Notes	2021 £	2020 £
Revenue	3	38,582,324	32,344,983
Cost of sales		(20,086,848)	(17,599,012)
Gross profit		18,495,476	14,745,971
Administrative expenses		(9,632,045)	(7,873,713)
Operating profit	5	8,863,431	6,872,258
Investment income	8	20,395	54,796
Finance costs	9	(21,828)	(9,862)
Other gains and losses	10	-	(68,241)
Profit before taxation		8,861,998	6,848,951
Tax on profit	11	(1,822,283)	(1,276,358)
Profit for the financial year		7,039,715	5,572,593
Total comprehensive income for the year		7,039,715	5,572,593

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the statement of comprehensive income.

OXFORD PHARMAGENESIS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 OCTOBER 2021

	Notes	2021		2020	
		£	£	£	£
Non-current assets					
Property, plant and equipment	13	4,793,123		4,817,328	
Investments	14	164,581		164,581	
		<u>4,957,704</u>		<u>4,981,909</u>	
Current assets					
Trade and other receivables	17	13,274,106	13,463,943		
Cash and cash equivalents		13,602,343	10,169,516		
		<u>26,876,449</u>	<u>23,633,459</u>		
Current liabilities	18	<u>(8,449,809)</u>	<u>(8,201,009)</u>		
Net current assets		<u>18,426,640</u>		<u>15,432,450</u>	
Total assets less current liabilities		<u>23,384,344</u>		<u>20,414,359</u>	
Provisions for liabilities	20	<u>(464,938)</u>		<u>(334,668)</u>	
Net assets		<u>22,919,406</u>		<u>20,079,691</u>	
Equity					
Called up share capital	24	9,917	9,917		
Share premium account		79,327	79,327		
Capital redemption reserve		465	465		
Retained earnings		22,829,697	19,989,982		
Total equity		<u>22,919,406</u>	<u>20,079,691</u>		

The financial statements were approved by the board of directors and authorised for issue on 29 March 2022 and are signed on its behalf by:


G A B Shelton
Director

Company Registration No. 03488862

OXFORD PHARMAGENESIS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 OCTOBER 2021

	Share capital	Share premium account	Capital redemption reserve	Retained earnings	Total
Notes	£	£	£	£	£
Balance at 1 November 2019	9,917	79,327	465	14,417,389	14,507,098
Year ended 31 October 2020:					
Profit and total comprehensive income for the year	-	-	-	5,572,593	5,572,593
Balance at 31 October 2020	9,917	79,327	465	19,989,982	20,079,691
Year ended 31 October 2021:					
Profit and total comprehensive income for the year	-	-	-	7,039,715	7,039,715
Dividends	12	-	-	(4,200,000)	(4,200,000)
Balance at 31 October 2021	9,917	79,327	465	22,829,697	22,919,406

OXFORD PHARMAGENESIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2021

1 Accounting policies

Company information

Oxford PharmaGenesis Limited is a private company limited by shares incorporated in England and Wales. The registered office is Tubney Warren Barn, Tubney, Abingdon, Oxfordshire, OX13 5QJ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company.

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

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group. Oxford PharmaGenesis Limited is a wholly owned subsidiary of Oxford PharmaGenesis Holdings Limited. The results of Oxford PharmaGenesis Limited are included in the consolidated financial statements of Oxford PharmaGenesis Holdings Limited which are available from Tubney Warren Barn, Tubney, Oxford, OX13 5QJ.

As a wholly owned subsidiary undertaking of Oxford PharmaGenesis Holdings Limited, the company has taken advantage of the exemption in FRS 102 Section 33.1A and has not disclosed transactions and outstanding balances with the parent company and entities which form part of the group and are 100% owned by either Oxford PharmaGenesis Holdings Limited or Oxford PharmaGenesis Limited.

The company has also taken the advantage of the exemption in FRS 102 Section 1.12 (b) from the requirement to produce a cash flow statement.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Revenue

Revenue represents the value of services provided to customers during the year. Advance billings to customers are treated as deferred income until the outcome of the project can be assessed with reasonable certainty, at which time deferred income is released to turnover to reflect the proportion of work completed.

1.4 Long term contracts

Amounts recoverable on long term contracts, which are included in accrued income, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in current liabilities as deferred income.

1.5 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

OXFORD PHARMAGENESIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

1 Accounting policies

(Continued)

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold / Leasehold	2% - 20% straight line
Leasehold improvements	Straight line over the term of the lease
Plant and machinery	2 - 5 years straight line
Fixtures, fittings & equipment	3 - 10 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to the profit and loss account.

1.6 Non-current investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of twelve months or less, and other short-term liquid investments.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

OXFORD PHARMAGENESIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

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

1.10 Taxation

The tax expense represents the sum of the current tax and deferred tax charges for the financial year.

Current tax

The current tax charge is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the Company's accounts. Deferred tax is provided in full on material timing differences which result in obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws.

OXFORD PHARMAGENESIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

1 Accounting policies

(Continued)

1.11 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense,

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

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

1.13 Retirement benefits

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

1.14 Share options

Equity-settled share options are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share options at the time they were granted are subsequently modified, the fair value of the share options under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share options. The share options expense is not adjusted if the modified fair value is less than the original fair value.

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.16 Foreign exchange

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

OXFORD PHARMAGENESIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

2 Judgements and key sources of estimation uncertainty

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

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

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Long term contracts, work in progress and deferred

The company has a number of customer contracts that span over two or more accounting periods.

Amounts recoverable on long term contracts, which are included in prepayments and accrued income, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in current liabilities as deferred income.

The key estimate in this area is the percentage of completion of each project at the year end. This is determined by reference to the progress achieved against the milestones stipulated in the underlying contracts.

Bad debt provision

A bad debt provision is set up when the likelihood of recovering the debt is diminished. The level of the provision will be based on an estimate of the likelihood of the amount due being fully recovered.

Dilapidations provision

The dilapidations provision with respect to the premises rented by the company is based on the director's professional judgement. They have also applied their commercial judgement (by considering a number of variables such as the subsequent alterations made in the properties, the changes in the economy and the commercial properties market etc) to revise upwards the relevant provision. The adequacy of the dilapidations provision and the necessity for an additional professional assessment is monitored by the directors on an annual basis. Adjustments are made as and when necessary to ensure the adequacy of the relevant provision.

OXFORD PHARMAGENESIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2021

3 Revenue

An analysis of the company's revenue is as follows:

	2021 £	2020 £
Revenue from principal activity	38,582,324	32,344,983

Revenue analysed by geographical market

	2021 £	2020 £
United Kingdom	9,058,877	7,470,320
Overseas	29,523,447	24,874,663
	<u>38,582,324</u>	<u>32,344,983</u>

4 Auditor's remuneration

Fees payable to the company's auditor and associates:

For audit services

Audit of the financial statements of the company	20,500	18,500
--	--------	--------

For other services

Preparation of the financial statements of the company	3,350	3,000
Taxation compliance services	1,200	2,050
All other non-audit services	-	1,990
	<u>4,550</u>	<u>7,040</u>

5 Operating profit

	2021 £	2020 £
Operating profit for the year is stated after charging/(crediting):		
Foreign exchange losses/(gains)	458,101	(220,011)
Depreciation of owned property, plant and equipment	466,981	518,303
Loss on disposal of property, plant and equipment	-	5,595
Operating lease charges	881,286	871,350

OXFORD PHARMAGENESIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2021

6 Directors' remuneration

	2021	2020
	£	£
Remuneration for qualifying services	723,215	646,941
Company pension contributions to defined contribution schemes	30,813	25,200
	<u>754,028</u>	<u>672,141</u>

The number of directors for whom retirement benefits were accruing under defined contribution schemes amounted to 3 (2020: 3).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2021	2020
	£	£
Remuneration for qualifying services	300,770	269,581
Company pension contributions to defined contribution schemes	13,200	11,100
	<u>313,970</u>	<u>280,681</u>

7 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021	2020
	Number	Number
Client delivery services	280	228
Support and management services	47	37
Total	<u>327</u>	<u>265</u>

Their aggregate remuneration comprised:

	2021	2020
	£	£
Wages and salaries	18,832,997	16,405,115
Social security costs	1,757,472	1,517,713
Pension costs	874,527	684,165
	<u>21,464,996</u>	<u>18,606,993</u>

OXFORD PHARMAGENESIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

8	Investment income	2021	2020
		£	£
	Interest income		
	Interest on bank deposits	20,395	54,796
		<u> </u>	<u> </u>
9	Finance costs	2021	2020
		£	£
	Bank charges	21,828	9,862
		<u> </u>	<u> </u>
10	Other gains and losses	2021	2020
		£	£
	Investments written off	-	(68,241)
		<u> </u>	<u> </u>
11	Taxation	2021	2020
		£	£
	Current tax		
	UK corporation tax on profits for the current period	1,676,383	1,276,358
		<u> </u>	<u> </u>
	Deferred tax		
	Origination and reversal of timing differences	145,900	-
		<u> </u>	<u> </u>
	Total tax charge	1,822,283	1,276,358
		<u> </u>	<u> </u>

OXFORD PHARMAGENESIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2021

11 Taxation

(Continued)

The actual charge for the current year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
Profit before taxation	8,861,998	6,848,951
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	1,683,780	1,301,301
Tax effect of expenses that are not deductible in determining taxable profit	4,189	30,771
Permanent capital allowances in excess of depreciation	(9,935)	(79,508)
Pension adjustment	(5,944)	-
Share options adjustment	4,293	23,794
Deferred tax adjustments	145,900	-
Taxation charge for the year	1,822,283	1,276,358

12 Dividends

	2021 £	2020 £
Interim paid	4,200,000	-

OXFORD PHARMAGENESIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

13 Property, plant and equipment

	Land and buildings Freehold / Leasehold	Leasehold improvements	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£	£
Cost					
At 1 November 2020	4,249,621	752,359	974,524	148,036	6,124,540
Additions	37,038	79,289	280,247	46,202	442,776
Disposals	(21,164)	-	(9,015)	(6,447)	(36,626)
At 31 October 2021	4,265,495	831,648	1,245,756	187,791	6,530,690
Depreciation and impairment					
At 1 November 2020	222,751	223,895	810,575	49,991	1,307,212
Depreciation charged in the year	94,016	144,360	199,276	29,329	466,981
Eliminated in respect of disposals	(21,164)	-	(9,015)	(6,447)	(36,626)
At 31 October 2021	295,603	368,255	1,000,836	72,873	1,737,567
Carrying amount					
At 31 October 2021	3,969,892	463,393	244,920	114,918	4,793,123
At 31 October 2020	4,026,870	528,464	163,949	98,045	4,817,328

14 Fixed asset investments

	2021 £	2020 £
Unlisted investments	164,581	164,581

15 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	Notes	2021 £	2020 £
In respect of:			
Fixed asset investments	14	-	68,241
Recognised in:			
Other gains and losses		-	68,241

The impairment losses in respect of financial assets are recognised in other gains and losses in the income statement.

OXFORD PHARMAGENESIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

16 Subsidiaries

Details of the company's subsidiaries at 31 October 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Oxford PharmaGenesis AG	c/o Breves Treuhand AG, Zugerstrasse 72, 6340 Baar, Switzerland	Provision of HealthScience communications services	Ordinary shares	100
Oxford PharmaGenesis Inc	4 Caufield Place, Suite 201, Newtown, PA18940, USA	Provision of HealthScience communications services	Ordinary shares	100
Oxford PharmaGenesis Pty Ltd	Level 21, 55 Collins Street, Melbourne, Vic 3000, Australia	Provision of HealthScience communications services	Ordinary shares	100

17 Trade and other receivables

	2021 £	2020 £
Amounts falling due within one year:		
Trade receivables	8,517,454	6,971,695
Amount due from parent and fellow subsidiary undertakings	281,471	1,833,813
Other receivables	317,971	374,134
Prepayments and accrued income	4,157,210	4,284,301
	<u>13,274,106</u>	<u>13,463,943</u>

18 Current liabilities

	2021 £	2020 £
Trade payables	763,266	992,819
Amounts due to parent undertakings	492,606	-
Corporation tax	819,233	748,735
Other taxation and social security	582,654	633,511
Other payables	216,900	138,954
Accruals and deferred income	5,575,150	5,686,990
	<u>8,449,809</u>	<u>8,201,009</u>

OXFORD PHARMAGENESIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

19 Financial risk management

The company holds or issues financial instruments in order to achieve three main objectives, being:

(a) to finance its operations;

(b) to manage its exposure to interest and currency risks arising from its operations and from its sources of finance; and

(c) for trading purposes.

In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the company's operations.

Transactions in financial instruments result in the company assuming or transferring to another party one or more of the financial risks described below.

Interest rate risk

The company's exposure to interest rates on financial assets and liabilities are detailed in the liquidity risk management section of this note.

Credit risk

The company monitors credit risk closely and considers that its current policies of credit checks meets its objectives of managing exposure to credit risk.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the company's short, medium and long term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves and banking facilities and by monitoring forecast and actual cashflows.

20 Provisions for liabilities

	Notes	2021 £	2020 £
Dilapidation provision		319,038	334,668
Deferred tax liabilities	21	145,900	-
		<u>464,938</u>	<u>334,668</u>

Movements on provisions:

	Dilapidation provision £
At 1 November 2020	334,668
Additional provisions in the year	50,000
Reversal of provision	(80,822)
Unwinding of discount	15,192
At 31 October 2021	<u>319,038</u>

OXFORD PHARMAGENESIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

21 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	(Assets) / Liabilities 2021 £	(Assets) / Liabilities 2020 £
Balances:		
Accelerated capital allowances	256,226	-
Share options	(83,409)	-
Pension adjustments	(26,917)	-
	<u>145,900</u>	<u>-</u>
		2021
		£
Movements in the year:		
Liability at 1 November 2020		-
Charge to profit or loss		145,900
		<u>145,900</u>
Liability at 31 October 2021		<u>145,900</u>
		<u><u>145,900</u></u>
22 Retirement benefit schemes		
	2021	2020
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	874,527	684,165
	<u>874,527</u>	<u>684,165</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

At the year end amounts payable to the pension scheme totalled £197,451 (2020: £138,954).

23 Share options transactions

Oxford PharmaGenesis Holdings Limited has granted rights to the employees of Oxford PharmaGenesis Limited for the equity instruments of Oxford PharmaGenesis Holdings Limited. The share options vest after 5-10 years from the option grant date.

OXFORD PHARMAGENESIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2021

23 Share options transactions

(Continued)

	Number of share options	
	2021 Number	2020 Number
Outstanding at 1 November 2020	3,600	4,800
Forfeited	(750)	(300)
Exercised	(450)	(900)
Outstanding at 31 October 2021	<u>2,400</u>	<u>3,600</u>
Exercisable at 31 October 2021	<u>50</u>	<u>-</u>

450 share options were exercised during the year (2020: 900).

The options outstanding at 31 October 2021 had an exercise price ranging from £93.23 to £300.10 and a remaining contractual life of 0-8 years.

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The fair value of employee share options is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the instruments were granted. The services received and a liability to pay for those services are recognised over the expected vesting period. The fair value of options expensed in the year ended 31 October 2021 was £22,597 (2020 : £125,231).

24 Share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital Issued and fully paid				
Ordinary shares of 25p each	4,668	4,668	1,167	1,167
Ordinary "A" shares of 25p each	35,000	35,000	8,750	8,750
	<u>39,668</u>	<u>39,668</u>	<u>9,917</u>	<u>9,917</u>

On 15 March 2022, the company declared an interim dividend of £6.75m.

OXFORD PHARMAGENESIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2021

25 Operating lease commitments

Lessee

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

	2021	2020
	£	£
Within one year	765,484	771,355
Between two and five years	1,235,582	1,930,625
	<u>2,001,066</u>	<u>2,701,980</u>

26 Remuneration of key management personnel

The remuneration of key management personnel and directors was £1,568,006 (2020: £1,411,506).

27 Related party transactions

During the year, the company paid rental amounts totalling £62,928 (2020: £62,396) to Northmoor Enterprises, a partnership in which one of the directors is a partner.

At the year end, the company was owed £285,795 (2020: £471,433) by Oxford Health Policy Forum CIC, a community interest company in which two of the directors are also directors of Oxford PharmaGenesis Limited.

As a wholly owned subsidiary undertaking of Oxford PharmaGenesis Holdings Limited, the company has taken advantage of the exemption in FRS 102 Section 33.1A and has not disclosed transactions and outstanding balances with entities which form part of the group and they are 100% owned by either Oxford PharmaGenesis Holdings Limited or Oxford PharmaGenesis Limited.

28 Ultimate controlling party

The ultimate parent company is Oxford PharmaGenesis Holdings Limited, a company registered in England and Wales under company number 08242591.

Copies of the group financial statements are available from Tubney Warren Barn, Tubney, Abingdon, OX13 5QJ.