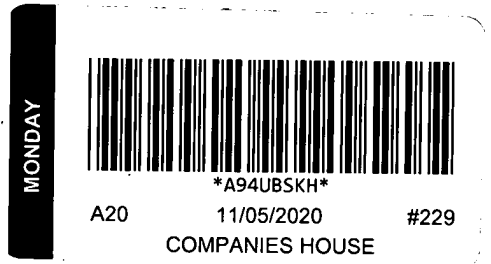


Company Registration No. 03488862 (England and Wales)

OXFORD PHARMAGENESIS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019



 **shawgibbs**
accountants & business advisers
Incorporating Pearson Buchholz

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 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 2019

The directors present the strategic report for the year ended 31 October 2019.

Fair review of the business

Founded in 1998, Oxford PharmaGenesis Limited 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 Limited 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, nutrition companies, professional societies, patient groups and academic institutions.

The company achieved strong revenue growth of 23% in the year ended 31 October 2019 and growth in profit before tax of 48%. The performance of the US, Australian and Swiss subsidiaries are addressed in the strategic report of Oxford PharmaGenesis Holdings Limited.

Principal risks and uncertainties

The continuing success of the company depends on retaining excellent people 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 rationalizing 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' organizations, with our several specialist practices enabling us to provide services to a wide range of our clients' departments and functions.

We place great emphasis on recruiting, training and retaining excellent people. In addition to our UK offices in Oxford, London and Cardiff, we opened a new office in Cambridge during November 2019. Our growth has enabled us to offer our people excellent opportunities for rewarding work and career progression, contributing to our strong retention rate. Our headcount increased by 7% during the year.

Outlook

The outlook for Oxford PharmaGenesis remains extremely positive. The group has continued to grow during 2020. It is too early to evaluate the full impact of the COVID-19 virus on the group. However, at the time of writing, the group was continuing to experience strong growth in both people and revenue and expect 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.

Financial Risk Management Objectives and Policies

The Board regularly reviews the financial requirements of the company and the associated risks. We hold currency reserves in multiple currencies. Details of the group's financial risk management objectives and policies are included in note 16 to the accounts.

On behalf of the board



C C Winchester

Director

27 April 2020

OXFORD PHARMAGENESIS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2019

The directors present their annual report and financial statements for the year ended 31 October 2019.

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

C J Thomas

(Resigned 4 December 2018)

R White

C C Winchester

Results and dividends

The results for the year are set out on page 6.

The profit for the year, after taxation, amounted to £4,185,789 (2018: £2,839,752).

An interim dividend of £2,500,000 was paid during the year to the holding company (2018: £1,900,000).

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 £11,296 (2018: £24,665).

OXFORD PHARMAGENESIS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

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 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 Limited were appointed as auditor to the company and in accordance with section 485 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



C C Winchester

Director

27 April 2020

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 2019 set out on pages 6 to 21. 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 2019 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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 Limited

27 April 2020

Chartered Certified Accountants
Statutory Auditor

264 Banbury Road
Oxford
OX2 7DY

OXFORD PHARMAGENESIS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 OCTOBER 2019

	Notes	2019 £	2018 £
Revenue	3	25,872,718	21,058,863
Cost of sales		(14,158,493)	(12,123,985)
Gross profit		11,714,225	8,934,878
Administrative expenses		(6,551,184)	(5,440,486)
Operating profit	4	5,163,041	3,494,392
Investment income	7	22,693	14,063
Finance costs	8	(10,254)	(7,075)
Profit before taxation		5,175,480	3,501,380
Tax on profit	9	(989,691)	(661,628)
Profit for the financial year		4,185,789	2,839,752
Total comprehensive income for the year		4,185,789	2,839,752

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 2019

	Notes	2019		2018	
		£	£	£	£
Non-current assets					
Property, plant and equipment	11		3,908,545		3,148,714
Investments	12		232,822		68,303
			<u>4,141,367</u>		<u>3,217,017</u>
Current assets					
Trade and other receivables	14	10,301,657		7,954,587	
Cash and cash equivalents		7,708,727		5,416,081	
		<u>18,010,384</u>		<u>13,370,668</u>	
Current liabilities	15	(7,421,420)		(3,546,376)	
Net current assets			<u>10,588,964</u>		<u>9,824,292</u>
Total assets less current liabilities			<u>14,730,331</u>		<u>13,041,309</u>
Provisions for liabilities	17		(223,233)		(220,000)
Net assets			<u>14,507,098</u>		<u>12,821,309</u>
Equity					
Called up share capital	20		9,917		9,917
Share premium account			79,327		79,327
Capital redemption reserve			465		465
Retained earnings			14,417,389		12,731,600
Total equity			<u>14,507,098</u>		<u>12,821,309</u>

The financial statements were approved by the board of directors and authorised for issue on 27 April 2020 and are signed on its behalf by:



C C Winchester
Director

Company Registration No. 03488862

OXFORD PHARMAGENESIS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 OCTOBER 2019

	Share capital	Share premium account	Capital redemption reserve	Retained earnings	Total
Notes	£	£	£	£	£
Balance at 1 November 2017	9,917	79,327	465	11,791,848	11,881,557
Year ended 31 October 2018:					
Profit and total comprehensive income for the year	-	-	-	2,839,752	2,839,752
Dividends	10	-	-	(1,900,000)	(1,900,000)
Balance at 31 October 2018	9,917	79,327	465	12,731,600	12,821,309
Year ended 31 October 2019:					
Profit and total comprehensive income for the year	-	-	-	4,185,789	4,185,789
Dividends	10	-	-	(2,500,000)	(2,500,000)
Balance at 31 October 2019	9,917	79,327	465	14,417,389	14,507,098

OXFORD PHARMAGENESIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2019

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 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 2019

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	50 years 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 three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

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.

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.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

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.

OXFORD PHARMAGENESIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

1 Accounting policies

(Continued)

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.

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-based payments

Equity-settled share-based payments 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-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment 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-based payment. The share-based payment 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.

OXFORD PHARMAGENESIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

1 Accounting policies

(Continued)

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.

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 income

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 that each project is complete at the year end date. 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.

OXFORD PHARMAGENESIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

3 Revenue

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

	2019 £	2018 £
Revenue from principal activity	25,872,718	21,058,863

Revenue analysed by geographical market

	2019 £	2018 £
United Kingdom	5,599,454	5,799,736
Overseas	20,273,264	15,259,127
	<u>25,872,718</u>	<u>21,058,863</u>

4 Operating profit

Operating profit for the year is stated after charging/(crediting):

	2019 £	2018 £
Foreign Exchange gains	(24,186)	(61,634)
Fees payable to the company's auditor for the audit of the company's financial statements	13,525	12,875
Depreciation of owned property, plant and equipment	402,775	290,784
Loss on disposal of property, plant and equipment	17,118	-
Operating lease charges	504,576	577,495
	<u>504,576</u>	<u>577,495</u>

OXFORD PHARMAGENESIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

5 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	515,379	476,434
Company pension contributions to defined contribution schemes	24,552	24,000
	<u>539,931</u>	<u>500,434</u>

The number of directors for whom retirement benefits were accruing under defined contribution schemes amounted to 3 (2018: 3).

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

Remuneration for qualifying services	228,285	199,524
Company pension contributions to defined contribution schemes	10,776	10,500
	<u>239,061</u>	<u>210,024</u>

6 Employees

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

	2019 Number	2018 Number
Client delivery services	190	183
Support and management services	32	20
	<u>222</u>	<u>203</u>

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	12,930,920	10,734,967
Social security costs	1,236,517	1,032,252
Pension costs	545,791	461,487
	<u>14,713,228</u>	<u>12,228,706</u>

OXFORD PHARMAGENESIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

7 Investment income	2019	2018
	£	£
Interest income		
Interest on bank deposits	22,693	14,063
	<u> </u>	<u> </u>

8 Finance costs	2019	2018
	£	£
Bank charges	10,254	7,075
	<u> </u>	<u> </u>

9 Taxation	2019	2018
	£	£
Current tax		
UK corporation tax on profits for the current period	989,691	661,138
Adjustments in respect of prior periods	-	490
	<u> </u>	<u> </u>
Total current tax	989,691	661,628
	<u> </u>	<u> </u>

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:

	2019	2018
	£	£
Profit before taxation	5,175,480	3,501,380
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19%	983,341	665,262
Tax effect of expenses that are not deductible in determining taxable profit (Capital allowances in excess depreciation)/Depreciation in excess of capital allowances	8,085	5,771
	(18,672)	8,721
Adjustments in respect of prior year	-	490
Share based payment adjustment	16,937	(18,616)
	<u> </u>	<u> </u>
Taxation charge for the year	989,691	661,628
	<u> </u>	<u> </u>

10 Dividends	2019	2018
	£	£
Interim paid	2,500,000	1,900,000
	<u> </u>	<u> </u>

OXFORD PHARMAGENESIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2019

11 Property, plant and equipment

	Land and buildings Freehold	Leasehold improvements	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£	£
Cost					
At 1 November 2018	2,792,142	518,090	703,713	144,453	4,158,398
Additions	550,327	321,696	286,478	21,223	1,179,724
Disposals	(14,815)	(750)	(16,344)	(67,107)	(99,016)
At 31 October 2019	3,327,654	839,036	973,847	98,569	5,239,106
Depreciation and impairment					
At 1 November 2018	120,489	408,270	384,224	96,701	1,009,684
Depreciation charged in the year	44,873	49,177	293,369	15,356	402,775
Eliminated in respect of disposals	(13,510)	(600)	(681)	(67,107)	(81,898)
At 31 October 2019	151,852	456,847	676,912	44,950	1,330,561
Carrying amount					
At 31 October 2019	3,175,802	382,189	296,935	53,619	3,908,545
At 31 October 2018	2,671,653	109,820	319,489	47,752	3,148,714

12 Fixed asset investments

	2019 £	2018 £
Unlisted investments	232,822	68,303

Movements in non-current investments

	Investments other than loans £
Cost or valuation	
At 1 November 2018	68,303
Additions	164,519
At 31 October 2019	232,822
Carrying amount	
At 31 October 2019	232,822
At 31 October 2018	68,303

OXFORD PHARMAGENESIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

13 Subsidiaries

Details of the company's subsidiaries at 31 October 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Oxford PharmaGenesis AG	Switzerland	Provision of HealthScience communications services	Ordinary shares	100
Oxford PharmaGenesis Inc	United States of America	Provision of HealthScience communications services	Ordinary shares	100
Oxford PharmaGenesis Pty Ltd	Australia	Provision of HealthScience communications services	Ordinary shares	100

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss) £	Capital and Reserves £
Oxford PharmaGenesis AG	(9,705)	57,175
Oxford PharmaGenesis Inc	348,719	1,833,543
Oxford PharmaGenesis Pty Ltd	(73,454)	(1,969)

14 Trade and other receivables

	2019 £	2018 £
Amounts falling due within one year:		
Trade receivables	5,784,472	4,531,447
Amount due from parent and fellow subsidiary undertakings	602,082	894,078
Other receivables	367,306	263,690
Prepayments and accrued income	3,547,797	2,265,372
	<u>10,301,657</u>	<u>7,954,587</u>

15 Current liabilities

	2019 £	2018 £
Trade payables	970,314	506,980
Amounts due to group undertakings	2,042,213	-
Corporation tax	560,135	325,104
Other taxation and social security	302,778	409,651
Other payables	114,727	94,205
Accruals and deferred income	3,431,253	2,210,436
	<u>7,421,420</u>	<u>3,546,376</u>

OXFORD PHARMAGENESIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

16 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.

17 Provisions for liabilities

	2019 £	2018 £
Dilapidation provision	223,233	220,000
	<u>223,233</u>	<u>220,000</u>
Movements on provisions:		Dilapidation provision £
At 1 November 2018		220,000
Unwinding of discount		3,233
At 31 October 2019		<u>223,233</u>

OXFORD PHARMAGENESIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

18 Retirement benefit schemes

	2019	2018
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	545,791	461,487

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 £115,377 (2018: £94,205).

19 Share-based payment 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 years from the option grant date. The earliest exercise date for some of these options was 10 July 2019.

	Number of share options	
	2019	2018
	Number	Number
Outstanding at 1 November 2018	3,400	2,750
Granted	1,700	850
Forfeited	-	(200)
Outstanding at 31 October 2019	5,100	3,400
Exercisable at 31 October 2019	400	-

No share options were exercised during the year (2018: none).

The options outstanding at 31 October 2019 had an exercise price ranging from £14.36 to £255.37, and a remaining contractual life of 0-10 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 / (credited) in the year ended 31 October 2019 was £89,144 (2018 credited: £97,980).

OXFORD PHARMAGENESIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

20 Share capital

	2019	2018
	£	£
Ordinary share capital		
Issued and fully paid		
4,668 Ordinary shares of 25p each	1,167	1,167
35,000 Ordinary "A" shares of 25p each	8,750	8,750
	<u>9,917</u>	<u>9,917</u>

21 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:

	2019	2018
	£	£
Within one year	498,993	413,705
Between two and five years	2,513,887	625,390
	<u>3,012,880</u>	<u>1,039,095</u>

22 Financial commitments, guarantees and contingent liabilities

As at the year end, the company had financial commitments and guarantees totalling £886,042 (2018: £100,705).

23 Remuneration of key management personnel

The remuneration of key management personnel was as follows.

	2019	2018
	£	£
Directors' remuneration	539,931	500,434
Key management personnel	629,936	583,075
	<u>1,169,867</u>	<u>1,083,509</u>

OXFORD PHARMAGENESIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

24 Related party transactions

During the year, the company paid rental amounts totalling £51,110 (2018: £47,120) to Northmoor Enterprises, a partnership in which one of the directors is a partner.

At the year end, the company was owed £256,510 (2018: £171,454) by Oxford Health Policy Forum CIC, a community interest company in which one of the directors is also a director.

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 with entities which form part of the group and they are 100% owned by either Oxford PharmaGenesis Holdings Limited or Oxford PharmaGenesis Limited.

25 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, Oxford, OX13 5QJ.