

G&L SCIENTIFIC HOLDINGS LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**



G&L SCIENTIFIC HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Peter William Griffin (appointed 2 December 2020) Stephen Loughrey (appointed 2 December 2020)
Registered number	13057708
Registered office	The Old Barrel Store Brewery Courtyard Draymans Lane Marlow SL7 2FF
Independent auditors	MHA Building 4 Foundation Park Roxborough Way Maidenhead Berkshire SL6 3UD

G&L SCIENTIFIC HOLDINGS LIMITED

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G&L SCIENTIFIC HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

The directors present their strategic report for the group.

Strategy and business model

G&L Scientific Holdings Limited is a provider of regulatory affairs and quality assurance consultancy services to the global pharmaceutical sector. The market serviced within the pharmaceutical sector continues to be attractive and buoyant, despite significant recent economic events such as Covid-19 pandemic and Brexit. The strategy of the business is as follows:

- Develop existing client relationships and repeat business opportunities;
- Seek new client relationships through business development initiative.

Business review

Turnover in 2022 has increased to 18.6m through organic growth. Planned investments in management and back-office systems, designed to facilitate future growth, have resulted in administrative cost increases, and an associated decrease in operating profit margin.

Overall, the business continues to grow and is strengthened through investments financed through ongoing activities, as opposed to leverage through long term debt.

Principal risks and uncertainties

The directors have identified the following principal risks and uncertainties affecting the company:

Market risk: Global outsourcing for regulatory and quality assurance services in the pharmaceutical sector continues to experience strong growth and, therefore, the company is relatively well positioned and insulated from global economic events. There has been no material economic impact from Covid-19 and/or Brexit on the group which services its broad client base in multiple countries. Global economic conditions and uncertainty continues to be monitored, noting a prospect of increasing inflation in the future of most interest.

The group is affected by the relative availability and market price of technical expertise, and the group manages its exposure through brand marketing for attracting talent and human resource management practices to support its employee value proposition.

Legislative and regulatory risk (4): The UK Government has implemented off-payroll working rules (IR35) which have required strong expertise in the area to manage temporary resources. This is considered an additional regulatory burden rather than a risk to future business activity.

Sound financial practices are in place to manage risks associated with cash flow in the growing business.

Actions of competitors: Consolidation in the marketplace has reduced the numbers of competitors although the threat of competition has strengthened at the same time. Shortage of talent in the industry has increased competition for resources. The directors remain confident in a strong value proposition for staff and the quality of relationships built over an extended period of time to retain and attract talent.

G&L SCIENTIFIC HOLDINGS LIMITED

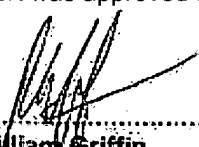
**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Financial key performance indicators

The group monitors its performance using a number of operational and financial measures. Apart from those variables identified above in the business review, the directors are of the opinion that no further inclusion of financial and non-financial key performance indicators is necessary for an understanding of the development, performance, or position of the group's business.

This report was approved by the board on 6 July 2023

and signed on its behalf.



.....
Peter William Griffin
Director

G&L SCIENTIFIC HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £256,927 (2021 - £585,635).

The directors have not recommended a dividend this year.

Directors

The directors who served during the year were:

Peter William Griffin (appointed 2 December 2020)

Stephen Loughrey (appointed 2 December 2020)

Future developments

The company anticipates strong trading conditions with an anticipated increase in demand for our services. We are targeting income growth in all regions in which we operate.

G&L SCIENTIFIC HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Disclosure of information to auditors

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

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Group since the year end.

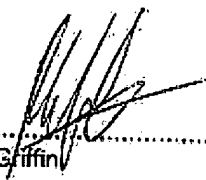
Auditors

Following a rebranding exercise on 15 May 2023, the trading name of the company's independent auditor changed from MHA MacIntyre Hudson to MHA.

The auditors, MHA, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 6 July 2023

and signed on its behalf.


.....
P William Griffin
Director

G&L SCIENTIFIC HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF G&L SCIENTIFIC HOLDINGS LIMITED

Opinion

We have audited the financial statements of G&L Scientific Holdings Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022, which comprise the Group Statement of comprehensive income, the Group and Company Balance sheets, the Group Statement of cash flows, the Group and Company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2022 and of the Group's 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent 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.

G&L SCIENTIFIC HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF G&L SCIENTIFIC HOLDINGS LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Group 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 Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.

G&L SCIENTIFIC HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF G&L SCIENTIFIC HOLDINGS LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 3, 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 Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 Auditors' 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 Group 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:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Testing of key controls over expenditure to ensure the correct authorisation;
- Substantive testing to ensure accuracy for key financial statement areas;
- Analytical procedures to highlight any unexpected discrepancies;
- Reviewing financial statement disclosures and testing to support documentation to assess compliance with applicable laws and regulations

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.

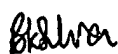
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

G&L SCIENTIFIC HOLDINGS LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF G&L SCIENTIFIC HOLDINGS LIMITED
(CONTINUED)**

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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.



BIANCA SILVA BA ACA DChA (Senior statutory auditor)

for and on behalf of

MHA

Statutory Auditor

Maidenhead, United Kingdom

Date: 28 July 2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313).

G&L SCIENTIFIC HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Turnover	4	18,605,303	17,252,130
Cost of sales		(11,296,615)	(10,510,058)
Gross profit		7,308,688	6,742,072
Administrative expenses		(6,868,935)	(5,775,747)
Operating profit	5	439,753	966,325
Interest payable and similar expenses	9	(78,862)	(102,270)
Profit before taxation		360,891	864,055
Tax on profit	10	(103,964)	(278,420)
Profit for the financial year		256,927	585,635
Profit for the year attributable to:			
Owners of the parent Company		256,927	585,635
		256,927	585,635

The notes on pages 19 to 35 form part of these financial statements.

G&L SCIENTIFIC HOLDINGS LIMITED
REGISTERED NUMBER: 13057708

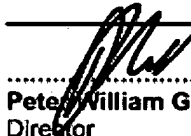
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	11	22,505	-
Tangible assets	12	239,739	232,555
		<u>262,244</u>	<u>232,555</u>
Current assets			
Debtors: amounts falling due after more than one year	14	94,000	-
Debtors: amounts falling due within one year	14	3,852,761	3,451,026
Cash at bank and in hand	15	856,318	705,999
		<u>4,803,079</u>	<u>4,157,025</u>
Creditors: amounts falling due within one year	16	(4,061,537)	(3,063,333)
Net current assets		<u>741,542</u>	<u>1,093,692</u>
Total assets less current liabilities		<u>1,003,786</u>	<u>1,326,247</u>
Creditors: amounts falling due after more than one year	17	-	(600,000)
Provisions for liabilities			
Net assets excluding pension asset		<u>1,003,786</u>	<u>726,247</u>
Net assets		<u><u>1,003,786</u></u>	<u><u>726,247</u></u>
Capital and reserves			
Called up share capital	18	20,000	20,000
Foreign exchange reserve	19	63,393	42,781
Merger reserve	19	(55,841)	(55,841)
Profit and loss account	19	976,234	719,307
Equity attributable to owners of the parent Company		<u>1,003,786</u>	<u>726,247</u>
		<u><u>1,003,786</u></u>	<u><u>726,247</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 6 July 2023.

G&L SCIENTIFIC HOLDINGS LIMITED
REGISTERED NUMBER: 13057708

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022


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Peter William Griffin
Director

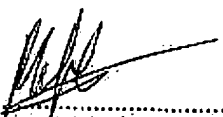
The notes on pages 19 to 35 form part of these financial statements.

G&L SCIENTIFIC HOLDINGS LIMITED
REGISTERED NUMBER: 13057708

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	13	15,250,290	15,250,290
		<u>15,250,290</u>	<u>15,250,290</u>
Total assets less current liabilities		15,250,290	15,250,290
Net assets		<u>15,250,290</u>	<u>15,250,290</u>
Capital and reserves			
Called up share capital	18	20,000	20,000
Share premium account	19	15,230,290	15,230,290
		<u>15,250,290</u>	<u>15,250,290</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 6 July 2023.


.....
Peter William Griffin
Director

The notes on pages 19 to 35 form part of these financial statements.

G&L SCIENTIFIC HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital	Foreign exchange reserve	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2022	20,000	42,781	(55,841)	719,307	726,247
Comprehensive income for the year					
Profit for the year	-	-	-	256,927	256,927
Currency translation differences	-	20,612	-	-	20,612
Other comprehensive income for the year	-	20,612	-	-	20,612
Total comprehensive income for the year	-	20,612	-	256,927	277,539
Total transactions with owners	-	-	-	-	-
At 31 December 2022	20,000	63,393	(55,841)	976,234	1,003,786

The notes on pages 19 to 35 form part of these financial statements.

G&L SCIENTIFIC HOLDINGS LIMITED

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

	Called up share capital	Foreign exchange reserve	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2021	-	-	(55,841)	133,672	77,831
Comprehensive income for the year					
Profit for the year	-	-	-	585,635	585,635
Currency translation differences	-	42,781	-	-	42,781
Total comprehensive income for the year	-	42,781	-	585,635	628,416
Shares issued during the year	20,000	-	-	-	20,000
Total transactions with owners	20,000	-	-	-	20,000
At 31 December 2021	20,000	42,781	(55,841)	719,307	726,247

The notes on pages 19 to 35 form part of these financial statements.

G&L SCIENTIFIC HOLDINGS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital	Share premium account	Total equity
	£	£	£
At 1 January 2022	20,000	15,230,290	15,250,290
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	-	-
Total transactions with owners	-	-	-
At 31 December 2022	20,000	15,230,290	15,250,290

The notes on pages 19 to 35 form part of these financial statements.

G&L SCIENTIFIC HOLDINGS LIMITED

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

	Called up share capital £	Share premium account £	Total equity £
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	-	-
Contributions by and distributions to owners			
Shares issued during the year	20,000	15,230,290	15,250,290
Total transactions with owners	20,000	15,230,290	15,250,290
At 31 December 2021	20,000	15,230,290	15,250,290

The notes on pages 19 to 35 form part of these financial statements.

G&L SCIENTIFIC HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 £	2021 £
Cash flows from operating activities		
Profit for the financial year	256,927	585,635
Adjustments for:		
Depreciation of tangible assets	100,494	86,946
Interest paid	78,862	102,270
Taxation charge	103,964	278,420
(Increase) in debtors	(462,838)	(132,068)
Increase/(decrease) in creditors	630,997	(33,579)
Corporation tax (paid)	(232,792)	(314,564)
Foreign exchange	18,541	114,760
Net cash generated from operating activities	494,155	687,820
Cash flows from investing activities		
Purchase of intangible fixed assets	(22,505)	-
Purchase of tangible fixed assets	(105,607)	(96,714)
Purchase of fixed asset investments	-	(62,269)
Net cash from investing activities	(128,112)	(158,983)
Cash flows from financing activities		
Issue of ordinary shares	-	20,000
New secured loans	82,908	629,381
Repayment of loans	(37,066)	(592,315)
Repayment of other loans	-	(600,687)
Loans due from/(repaid to) directors	(200,976)	-
Interest paid	(60,590)	(148,265)
Net cash used in financing activities	(215,724)	(691,886)
Net increase/(decrease) in cash and cash equivalents	150,319	(163,049)
Cash and cash equivalents at beginning of year	705,999	869,048
Cash and cash equivalents at the end of year	856,318	705,999
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	856,318	705,999

The notes on pages 19 to 35 form part of these financial statements.

G&L SCIENTIFIC HOLDINGS LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	At 1 January 2022 £	Cash flows £	Other non- cash changes £	At 31 December 2022 £
Cash at bank and in hand	705,999	150,319	-	856,318
Debt due after 1 year	(600,000)	-	600,000	-
Debt due within 1 year	(451,517)	155,134	(600,000)	(896,383)
	<u>(345,518)</u>	<u>305,453</u>	<u>-</u>	<u>(40,065)</u>

The notes on pages 19 to 35 form part of these financial statements.

G&L SCIENTIFIC HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

G&L Scientific Holdings Ltd is a private company limited by shares, incorporated in England registration number 130577708 whose registered office is at The Old Barrel Store, Brewery Courtyard, Draymans Lane, Marlow, SL7 2FF.

The principal activities of the Group are human resource provision and management of human resource functions for Regulatory Affairs and Quality Assurance services to clients.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102.

The consolidated financial statements incorporate the results of business combinations and group reconstructions.

In the Balance Sheet, an acquiree's identifiable assets, liabilities and contingent liabilities are initially recognized at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained.

Merger accounting is permitted under FRS102 where it related to group reconstructions.

Where merger accounting applies, the results and cash flows of all the combining entities are brought into the financial statements of the combined entity as if it had always existed and adjusted so as to achieve uniformity of accounting policies. Comparative information includes the total comprehensive income for all the combining entities for the previous reporting period and their statement of financial position for the previous reporting date, adjusted as necessary to achieve uniformity of accounting policies.

In the opinion of the Directors this is the most appropriate presentation of the Group results for the users for these financial statements.

Therefore, the Group continues to recognise a merger reserve which arose on a past business combination that was accounted for as a merger in accordance with UK GAAP as applied at that time.

G&L SCIENTIFIC HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

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

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

G&L SCIENTIFIC HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.5 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 Pensions

Defined contribution pension plan

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

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

2.7 Share based payments

Section 26 of FRS102 requires the recognition of share based payments at fair value at the date of grant.

The company issues equity-settled share based payments to certain employees of the company and its subsidiaries. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight line basis over the vesting period, together with a corresponding increase in equity, based upon the company's estimate of the shares that will eventually vest.

The directors have assessed the impact of the application of section 26 of FRS102 to the current statement of accounts and do not consider the impact to be material.

2.8 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

G&L SCIENTIFIC HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.9 Intangible assets

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

No amortisation is charged until the software is operational and brought into use.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.10 Tangible fixed assets

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

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

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

Depreciation is provided on the following basis:

Leasehold improvements	-	20% on cost
Office equipment	-	33% on cost
Computer equipment	-	33% on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

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

2.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.12 Debtors

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

G&L SCIENTIFIC HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.13 Cash and cash equivalents

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

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.14 Creditors

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

2.15 Financial instruments

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

3. Judgments in applying accounting policies 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.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Share based payments

Fair values used in calculating the amount expensed as an equity and cash settled share based payment are subject to a level uncertainty. The company is required to calculate the fair value of the options grants to employees using the Black Scholes model. The valuation model in itself is a judgement and takes into account certain inherent assumptions.

G&L SCIENTIFIC HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

4. Turnover

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	2,388,466	3,345,350
Rest of the world	16,216,837	13,906,780
	<u>18,605,303</u>	<u>17,252,130</u>

5. Operating profit

The operating profit is stated after charging:

	2022 £	2021 £
Depreciation of tangible assets	100,494	86,946
Exchange differences	(84,725)	176,498
Other operating lease rentals	385,600	317,928
	<u>301,369</u>	<u>571,372</u>

6. Auditors' remuneration

	2022 £	2021 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	27,500	25,000
	<u>27,500</u>	<u>25,000</u>

Fees payable to the Group's auditor and its associates in respect of:

	2022 £	2021 £
Taxation compliance services	8,495	14,640
All other services	19,395	39,445
	<u>27,890</u>	<u>54,085</u>

G&L SCIENTIFIC HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

7. Employees

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

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Wages and salaries	12,217,718	10,302,661	-	-
Social security costs	210,789	150,002	-	-
Cost of defined contribution scheme	117,682	103,850	-	-
	<u>12,546,189</u>	<u>10,556,513</u>	<u>-</u>	<u>-</u>

The average monthly number of employees, including the directors, during the year was as follows:

	Group 2022 No.	<i>Group 2021 No.</i>	Company 2022 No.	<i>Company 2021 No.</i>
Employees	<u>154</u>	<u>153</u>	<u>2</u>	<u>2</u>

8. Directors' remuneration

	2022 £	<i>2021 £</i>
Directors' emoluments	710,000	566,535
	<u>710,000</u>	<u>566,535</u>

The highest paid director received remuneration of £710,000 (2021 - £566,535).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2021 - £NIL).

The value of the Group's contributions paid to a defined benefit pension scheme in respect of the highest paid director amounted to £NIL (2021 - £NIL).

The total accrued pension provision of the highest paid director at 31 December 2022 amounted to £NIL (2021 - £NIL).

The amount of the accrued lump sum in respect of the highest paid director at 31 December 2022 amounted to £NIL (2021 - £NIL).

G&L SCIENTIFIC HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

9. Interest payable and similar expenses

	2022 £	2021 £
Other loan interest payable	78,862	102,270
	<u>78,862</u>	<u>102,270</u>

10. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	197,452	280,004
Adjustments in respect of previous periods	512	-
	<u>197,964</u>	<u>280,004</u>
Total current tax	<u>197,964</u>	<u>280,004</u>
Deferred tax		
Origination and reversal of timing differences	-	(1,584)
Tax losses carried forward	(94,000)	-
Total deferred tax	<u>(94,000)</u>	<u>(1,584)</u>
Taxation on profit on ordinary activities	<u>103,964</u>	<u>278,420</u>

G&L SCIENTIFIC HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

10. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2021 - *higher than*) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	360,891	864,055
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	68,569	164,170
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	14,183	4,160
Capital allowances for year in excess of depreciation	(87)	(6,745)
Utilisation of tax losses	(36,276)	-
Adjustments to tax charge in respect of prior periods	28,334	-
Short-term timing difference leading to an increase (decrease) in taxation	(3,148)	19,177
Other timing differences leading to an increase (decrease) in taxation	3,688	768
Unrelieved loss on foreign subsidiaries	-	27,893
Variation in group tax rates leading to an increase (decrease) in the tax charge	28,701	68,997
Total tax charge for the year	103,964	278,420

Factors that may affect future tax charges

From 1 April 2023 the corporation tax main rate will rise to 25% from 19% for profits exceeding £250,000. A small profits rate of 19% will be applied to profits up to £50,000, with a marginal relief providing a gradual increase in the corporation tax rate for profits between £50,000 and £250,000.

G&L SCIENTIFIC HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. Intangible assets

Group and Company

	Computer software £
Cost	
Additions	22,505
At 31 December 2022	22,505
Net book value	
At 31 December 2022	22,505
At 31 December 2021	-

G&L SCIENTIFIC HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. Tangible fixed assets

Group

	Leasehold improvements £	Office equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2022	158,697	81,105	229,041	468,843
Additions	-	29,831	75,776	105,607
Disposals	(46,767)	-	-	(46,767)
Exchange adjustments	123	519	1,428	2,070
At 31 December 2022	<u>112,053</u>	<u>111,455</u>	<u>306,245</u>	<u>529,753</u>
Depreciation				
At 1 January 2022	51,759	45,347	139,182	236,288
Charge for the year on owned assets	22,427	34,883	43,183	100,493
Disposals	(46,767)	-	-	(46,767)
At 31 December 2022	<u>27,419</u>	<u>80,230</u>	<u>182,365</u>	<u>290,014</u>
Net book value				
At 31 December 2022	<u>84,634</u>	<u>31,225</u>	<u>123,880</u>	<u>239,739</u>
At 31 December 2021	<u>106,938</u>	<u>35,758</u>	<u>89,859</u>	<u>232,555</u>

G&L SCIENTIFIC HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

13. Fixed asset investments**Company**

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2022	15,250,290
At 31 December 2022	<u>15,250,290</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
G&L Scientific Limited	The Old Barrel Store Brewery Courtyard, Draymans Lane, Marlow, United Kingdom, SL7 2FF	Ordinary	100
G&L Scientific USA Inc	25 Independence Blvd, Warren, NJ 07059, United States	Ordinary	100
G&L Scientific Canada Inc	Regus 711 Syntex Drive 3rd fl Mississauga ON Canada L5N 8C3	Ordinary	100
G&L Scientific Switzerland	Stücki Village, Hochbergerstrasse 70, 4057 Basel, Switzerland	Ordinary	100
G&L Scientific (Espana), S.L	Paseo de la Castellana, 93, 28046 Madrid, Spain	Ordinary	100
G&L Scientific India Pvt Limited	Regus Spaces Mumbai, Kanakia Wall Street 4th floor Andheri - Kurla Rd, Chakala, Andheri East, Mumbai, Maharashtra 400093	Ordinary	100

G&L SCIENTIFIC HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

13. Fixed asset investments (continued)

Subsidiary undertakings (continued)

The aggregate of the share capital and reserves as at 31 December 2022 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
G&L Scientific Limited	(405,565)	(336,861)
G&L Scientific USA Inc	5,194	241,577
G&L Scientific Canada Inc	1,253,185	292,712
G&L Scientific Switzerland	(11,293)	120,420
G&L Scientific (Espana), S.L	(47,328)	(17,080)
G&L Scientific India Pvt Limited	182,043	74,042

14. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Due after more than one year				
Deferred tax asset	94,000	-	-	-
	<u>94,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Due within one year				
Trade debtors			3,328,129	3,017,932
Other debtors			208,279	119,976
Prepayments and accrued income			256,468	192,130
Tax recoverable			54,687	118,402
Deferred taxation			5,198	2,586
			<u>3,852,761</u>	<u>3,451,026</u>

G&L SCIENTIFIC HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

15. Cash and cash equivalents

	Group 2022 £	<i>Group 2021 £</i>
Cash at bank and in hand	856,318	<i>705,999</i>
	856,318	<i>705,999</i>

16. Creditors: Amounts falling due within one year

	Group 2022 £	<i>Group 2021 £</i>
Bank loans	82,908	<i>37,066</i>
Trade creditors	576,880	<i>471,450</i>
Corporation tax	19,218	<i>115,149</i>
Other taxation and social security	118,407	<i>244,538</i>
Other creditors	1,363,678	<i>874,612</i>
Accruals and deferred income	1,900,446	<i>1,320,518</i>
	4,061,537	<i>3,063,333</i>

The following liabilities were secured:

	Group 2022 £	<i>Group 2021 £</i>
Other creditors	461,891	<i>382,374</i>
	461,891	<i>382,374</i>

Details of security provided:

Bibby Financial Services Ltd have a fixed and floating charge over G&L Scientific Ltd fixed assets

First Republic Bank has a charge over assets of G&L Scientific Inc

G&L SCIENTIFIC HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

17. Creditors: Amounts falling due after more than one year

	Group 2022 £	Group 2021 £
Other loans	-	600,000
	<u>-</u>	<u>600,000</u>

18. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
2,000,000 (2021 - 2,000,000) Ordinary Shares shares of £0.01 each	20,000	20,000
	<u>20,000</u>	<u>20,000</u>

19. Reserves

Foreign exchange reserve

The foreign exchange reserve arises from the accumulation of non-distributable unrealised foreign exchange differences arising from the consolidation of foreign subsidiaries.

Merger Reserve

The merger reserve arises as a result of the group reconstruction which was enacted on 01 January 2021.

Profit and loss account

The profit and loss account includes current year profits and losses.

20. Share based payments

During the year, G&L Scientific Holdings Ltd, the holding company, set up a share option scheme for eligible employees of G&L Scientific Holdings Ltd and its subsidiaries. Options are exercisable on sale of the company at a price equal to the market price of Holdings' shares on the date of grant. The options are settled in equity once exercised. The options lapse if they remain unexercised after a period of ten years from the date of grant. Options are forfeited if the employee, other than a good leaver, leaves the company before the options vest.

27,500 share options were granted to 11 employees on 29 March 2022 at an exercise price of £2.09 per share.

G&L SCIENTIFIC HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

21. Pension commitments

The Group operates a number of defined contributions pension schemes. The assets of the schemes are held separately from those of the Group in independently administered funds. The pension cost charge represents contributions payable by the Group to the funds and amounted to £117,682 (2021: £103,850). Contributions totaling £27,803 (2021: £25,041) were payable to the fund at the balance sheet date and are included in creditors.

22. Commitments under operating leases

At 31 December 2022 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022 £	Group 2021 £
Not later than 1 year	121,029	189,035
Later than 1 year and not later than 5 years	345,690	518,635
Later than 5 years	472,000	590,000
	938,719	1,297,670

23. Related party transactions

In accordance with the exemption under Financial Reporting Standard No 102, the company does not disclose transactions with other wholly-owned companies within the G&L Scientific group.

At 31 December 2022, the company was owed £93,770 (2021: £93,770) by and owed £21,239 (2021: £13,013) to Blackrock Pharmaceuticals Ltd, a company in which P Griffin is a director and shareholder and S Loughrey is a shareholder.

At 31 December 2022, the company owed £60,000 to Maidenhead United FC Ltd, a company in which P Griffin is a director. During the year the group paid sponsorship to Maidenhead United FC Limited of £300,000.

At 31 December 2022, the company owed £1,752 to P Griffin, director, for company expenses.

At 31 December 2022, the company owed £813,476 (2021: £1,014,451) to P Griffin, director. Interest is accrued on the outstanding loan balance.

At 31 December 2022, the company owed £25,597 to S Loughrey, director.