

Registered number: 13057708

G&L SCIENTIFIC HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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G&L SCIENTIFIC HOLDINGS LIMITED

COMPANY INFORMATION

Directors Peter William Griffin
Stephen Loughrey

Registered number 13057708

Registered office The Old Barrel Store
Brewery Courtyard
Draymans Lane
Marlow
SL7 2FF

Independent auditor MHA
Statutory Auditor
Building 4
Foundation Park
Roxborough Way
Maidenhead
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 2023

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.

The strategy of the business is as follows:

- Develop existing client relationships and repeat business opportunities;
- Seek new client relationships through business development initiative.
- Explore targeted acquisitions to enhance our technical and geographic client offering

Business review

Turnover in 2023 has increased to £22.3 million 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.

In December 2023 a Sale Agreement was reached with Artemis AcquiCo becoming the 100% shareholder of G&L Scientific Holdings. The agreement was subsequently completed in March 2024, after the end of the financial reporting period.

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.

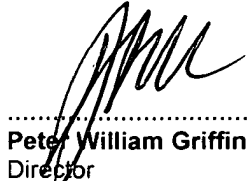
G&L SCIENTIFIC HOLDINGS LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

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 and signed on its behalf.



.....
Peter William Griffin
Director

Date: 25 July 2024

G&L SCIENTIFIC HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present their report and the financial statements for the year ended 31 December 2023.

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 judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 £1,209,255 (2022 - £256,927).

The directors have not recommended a dividend this year.

Directors

The directors who served during the year were:

Peter William Griffin
Stephen Loughrey

Future developments

The company is likely to make acquisitions of smaller companies working in the same area to enhance both technical and geographic offerings.

G&L SCIENTIFIC HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

Disclosure of information to auditor

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

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

Post balance sheet events

In December 2023 a Sale Agreement was reached with Artemis AcquiCo becoming the 100% shareholder of G&L Scientific Holdings. The agreement was subsequently completed in March 2024, after the end of the financial reporting period.

Auditor

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

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



.....
Peter William Griffin
Director

Date: 25 July 2024

G&L SCIENTIFIC HOLDINGS LIMITED

INDEPENDENT AUDITOR'S 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 2023, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, the 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 2023 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 Auditor's 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 AUDITOR'S 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 Auditor's Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 AUDITOR'S 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.

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 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;
- Performing audit work on the design and implementation of key controls around the recording of income;
- Performing substantive tests of detail over the completeness/existence of income within the financial system;
- Discussions with management over any potential or suspected fraud;
- An assessment of the methodologies used in order to calculate the estimate/provision at the year end for evidence of bias;
- 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.

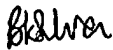
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

G&L SCIENTIFIC HOLDINGS LIMITED

**INDEPENDENT AUDITOR'S 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 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.



Bianca Silva BA ACA DChA
(Senior Statutory Auditor)
for and on behalf of MHA, Statutory Auditor
Maidenhead, United Kingdom
Date: 16 August 2024

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 2023**

	Note	2023 £	2022 £
Turnover	4	22,327,395	18,605,303
Cost of sales		(12,294,211)	(11,296,615)
Gross profit		10,033,184	7,308,688
Administrative expenses		(8,403,288)	(6,868,935)
Operating profit	5	1,629,896	439,753
Interest payable and similar expenses	9	(52,892)	(78,862)
Profit before taxation		1,577,004	360,891
Tax on profit	10	(367,749)	(103,964)
Profit for the financial year		1,209,255	256,927
Total comprehensive income for the year		1,209,255	256,927
Profit for the year attributable to:			
Owners of the parent Company		1,209,255	256,927
		1,209,255	256,927

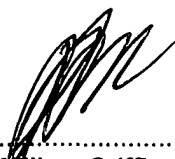
The notes on pages 16 to 33 form part of these financial statements.

G&L SCIENTIFIC HOLDINGS LIMITED
REGISTERED NUMBER: 13057708

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	11	38,439	22,505
Tangible assets	11	380,750	239,739
		<u>419,189</u>	<u>262,244</u>
Current assets			
Debtors: amounts falling due after more than one year	13	-	94,000
Debtors: amounts falling due within one year	13	4,575,616	3,852,761
Cash at bank and in hand	14	616,246	856,318
		<u>5,191,862</u>	<u>4,803,079</u>
Creditors: amounts falling due within one year	15	(3,433,534)	(4,061,537)
Net current assets		<u>1,758,328</u>	<u>741,542</u>
Total assets less current liabilities		<u>2,177,517</u>	<u>1,003,786</u>
Provisions for liabilities			
Net assets		<u>2,177,517</u>	<u>1,003,786</u>
Capital and reserves			
Called up share capital	17	20,000	20,000
Foreign exchange reserve	18	27,869	63,393
Merger reserve	18	(55,841)	(55,841)
Profit and loss account	18	2,185,489	976,234
Equity attributable to owners of the parent Company		<u>2,177,517</u>	<u>1,003,786</u>
		<u>2,177,517</u>	<u>1,003,786</u>

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


Peter William Griffin
 Director

Date: 25 July 2024

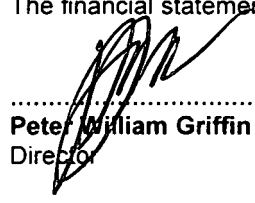
The notes on pages 16 to 33 form part of these financial statements.

G&L SCIENTIFIC HOLDINGS LIMITED
REGISTERED NUMBER: 13057708

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note	2023 £	2022 £
Fixed assets			
Investments	12	15,250,290	15,250,290
		<u>15,250,290</u>	<u>15,250,290</u>
Current assets			
Debtors: amounts falling due within one year	13	61,295	-
Cash at bank and in hand	14	1,123	-
		<u>62,418</u>	<u>-</u>
Creditors: amounts falling due within one year	15	(82,251)	-
Net current (liabilities)/assets		<u>(19,833)</u>	<u>-</u>
Total assets less current liabilities		<u>15,230,457</u>	<u>15,250,290</u>
Net assets		<u><u>15,230,457</u></u>	<u><u>15,250,290</u></u>
Capital and reserves			
Called up share capital	17	20,000	20,000
Share premium account	18	15,230,290	15,230,290
Loss/(profit) for the year		(19,833)	-
Profit and loss account		(19,833)	-
		<u>15,230,457</u>	<u>15,250,290</u>

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


Peter William Griffin
 Director

Date: 25 July 2024

The notes on pages 16 to 33 form part of these financial statements.

G&L SCIENTIFIC HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023**

	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
Profit for the year	-	-	-	256,927	256,927
Currency translation differences	-	20,612	-	-	20,612
At 1 January 2023	20,000	63,393	(55,841)	976,234	1,003,786
Profit for the year	-	-	-	1,209,255	1,209,255
Currency translation differences	-	(35,524)	-	-	(35,524)
At 31 December 2023	20,000	27,869	(55,841)	2,185,489	2,177,517

The notes on pages 16 to 33 form part of these financial statements.

G&L SCIENTIFIC HOLDINGS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2022	20,000	15,230,290	-	15,250,290
At 1 January 2023	20,000	15,230,290	-	15,250,290
Loss for the year	-	-	(19,833)	(19,833)
At 31 December 2023	20,000	15,230,290	(19,833)	15,230,457

The notes on pages 16 to 33 form part of these financial statements.

G&L SCIENTIFIC HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023 £	2022 £
Cash flows from operating activities		
Profit for the financial year	1,209,255	256,927
Adjustments for:		
Depreciation of tangible assets	152,475	100,494
Interest paid	52,892	78,862
Taxation charge	367,749	103,964
(Increase) in debtors	(419,571)	(462,838)
(Decrease)/increase in creditors	(963,980)	630,997
Corporation tax (paid)	(163,634)	(232,792)
Foreign exchange	(33,677)	18,541
Net cash generated from operating activities	201,509	494,155
Cash flows from investing activities		
Purchase of intangible fixed assets	(15,934)	(22,505)
Purchase of tangible fixed assets	(295,333)	(105,607)
Net cash from investing activities	(311,267)	(128,112)
Cash flows from financing activities		
New secured loans	70,245	82,908
Repayment of loans	-	(37,066)
Loans repaid to directors	(614,966)	(200,976)
Interest paid	(52,892)	(60,590)
Net cash used in financing activities	(597,613)	(215,724)
Net (decrease)/increase in cash and cash equivalents	(707,371)	150,319
Cash and cash equivalents at beginning of year	856,318	705,999
Cash and cash equivalents at the end of year	148,947	856,318
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	616,246	856,318
Bank overdrafts	(467,299)	-

The notes on pages 16 to 33 form part of these financial statements.

G&L SCIENTIFIC HOLDINGS LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2023**

	At 1 January 2023 £	Cash flows £	At 31 December 2023 £
Cash at bank and in hand	856,318	(240,072)	616,246
Bank overdrafts	-	(467,299)	(467,299)
Debt due within 1 year	(896,383)	544,720	(351,663)
	<u>(40,065)</u>	<u>(162,651)</u>	<u>(202,716)</u>

The notes on pages 16 to 33 form part of these financial statements.

G&L SCIENTIFIC HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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 judgement 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 2023**

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.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP and all amounts presented in these financial statements are rounded to the nearest £1.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.3 Foreign currency translation (continued)

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 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 costs incurred can be measured reliably.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

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

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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 has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Group's Balance Sheet when the Group becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Financial liabilities

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

Basic financial liabilities, which include trade and other payables, bank loans, other loans and loans due to fellow group companies are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

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

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.15 Financial instruments (continued)

due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

3. Judgements 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.

Impairment of investments in subsidiaries

The company makes an estimate of the recoverable value of investments in subsidiaries. When assessing the impairment of investments in subsidiaries, management considers factors including the net asset value and other financial indicators of the subsidiaries.

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.

4. Turnover

Analysis of turnover by country of destination:

	2023 £	2022 £
United Kingdom	2,600,103	2,388,466
Rest of Europe	1,219,787	-
Rest of the world	18,507,505	16,216,837
	<u>22,327,395</u>	<u>18,605,303</u>

G&L SCIENTIFIC HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

5. Operating profit

The operating profit is stated after charging:

	2023 £	2022 £
Depreciation and amortisation	152,475	100,494
Exchange differences	199,431	(84,725)
Other operating lease rentals	481,921	385,600
	<u> </u>	<u> </u>

6. Auditor's remuneration

	2023 £	2022 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	34,965	27,500
Fees payable to the Company's auditor in respect of:		
Taxation compliance services	13,800	8,495
All other services	46,832	19,395
	<u> </u>	<u> </u>
	<u>60,632</u>	<u>27,890</u>

7. Employees

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

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Wages and salaries	12,571,184	12,217,718	121,667	-
Social security costs	502,826	210,789	12,738	-
Cost of defined contribution scheme	254,759	117,682	-	-
	<u>13,328,769</u>	<u>12,546,189</u>	<u>134,405</u>	<u>-</u>

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

	Group 2023 No.	Group 2022 No.	Company 2023 No.	Company 2022 No.
Employees	<u>186</u>	<u>154</u>	<u>2</u>	<u>2</u>

G&L SCIENTIFIC HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

8. Directors' remuneration

	2023 £	2022 £
Directors' emoluments	439,688	568,246
	<u>439,688</u>	<u>568,246</u>

The highest paid director received remuneration of £420,938 (2022 - £568,246).

9. Interest payable and similar expenses

	2023 £	2022 £
Bank interest payable	5,032	-
Other loan interest payable	47,860	78,862
	<u>52,892</u>	<u>78,862</u>

10. Taxation

	2023 £	2022 £
Corporation tax		
Current tax on profits for the year	401,250	197,452
Adjustments in respect of previous periods	-	512
	<u>401,250</u>	<u>197,964</u>
Total current tax	<u>401,250</u>	<u>197,964</u>
Deferred tax		
Tax losses carried forward	(3,256)	(94,000)
Other	(30,245)	-
Total deferred tax	<u>(33,501)</u>	<u>(94,000)</u>
Tax on profit	<u>367,749</u>	<u>103,964</u>

G&L SCIENTIFIC HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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

The tax assessed for the year is lower than (2022 - *higher than*) the standard rate of corporation tax in the UK of 23.5% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Profit on ordinary activities before tax	<u>1,577,004</u>	<u>360,891</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.5% (2022 - 19%)	370,596	68,569
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	45,033	14,183
Capital allowances for year in excess of depreciation	4,629	(87)
Utilisation of tax losses	(74,654)	(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)
Other timing differences leading to an increase (decrease) in taxation	31,469	3,688
Variation in group tax rates leading to an increase (decrease) in the tax charge	(9,324)	28,701
Total tax charge for the year	<u>367,749</u>	<u>103,964</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

G&L SCIENTIFIC HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

11. Intangible assets

Group and Company

	Computer software £
Cost	
At 1 January 2023	22,505
Additions	15,934
At 31 December 2023	<u>38,439</u>
Net book value	
At 31 December 2023	<u>38,439</u>
At 31 December 2022	<u>22,505</u>

G&L SCIENTIFIC HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

Tangible fixed assets**Group**

	Leasehold improvements £	Office equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2023	112,053	111,455	306,245	529,753
Additions	-	13,433	281,900	295,333
Disposals	-	(31,574)	(135,030)	(166,604)
Exchange adjustments	(42)	(327)	(1,478)	(1,847)
At 31 December 2023	112,011	92,987	451,637	656,635
Depreciation				
At 1 January 2023	27,419	80,230	182,365	290,014
Charge for the year on owned assets	22,415	18,074	111,986	152,475
Disposals	-	(31,574)	(135,030)	(166,604)
At 31 December 2023	49,834	66,730	159,321	275,885
Net book value				
At 31 December 2023	62,177	26,257	292,316	380,750
At 31 December 2022	84,634	31,225	123,880	239,739

G&L SCIENTIFIC HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

12. Fixed asset investments**Company**

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2023	15,250,290
At 31 December 2023	15,250,290

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**Subsidiary undertakings (continued)**

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
G&L Scientific Limited	502,885	908,450
G&L Scientific USA Inc	(116,533)	(151,844)
G&L Scientific Canada Inc	1,526,840	267,832
G&L Scientific Switzerland	(101)	(168)
G&L Scientific (Espana), S.L	57,859	103,362
G&L Scientific India Pvt Limited	326,876	123,837

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Due after more than one year				
Deferred tax asset	-	94,000	-	-
	<u>-</u>	<u>94,000</u>	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>94,000</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Due within one year				
Trade debtors	3,769,593	3,328,129	-	-
Amounts owed by group undertakings	-	-	61,295	-
Other debtors	282,288	208,279	-	-
Prepayments and accrued income	316,424	256,468	-	-
Tax recoverable	75,008	54,687	-	-
Deferred taxation	132,303	5,198	-	-
	<u>4,575,616</u>	<u>3,852,761</u>	<u>61,295</u>	<u>-</u>

G&L SCIENTIFIC HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

14. Cash and cash equivalents

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Cash at bank and in hand	616,246	856,318	1,123	-
Less: bank overdrafts	(467,299)	-	-	-
	148,947	856,318	1,123	-

15. Creditors: Amounts falling due within one year

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Bank overdrafts	467,299	-	-	-
Bank loans	153,153	82,908	-	-
Trade creditors	598,607	576,880	1,260	-
Amounts owed to group undertakings	-	-	59,976	-
Corporation tax	276,759	19,218	-	-
Other taxation and social security	217,861	118,407	21,015	-
Other creditors	319,794	1,363,678	-	-
Accruals and deferred income	1,400,061	1,900,446	-	-
	3,433,534	4,061,537	82,251	-

The following liabilities were secured:

	Group 2023 £	Group 2022 £
Other creditors	-	461,891
	-	461,891

Details of security provided:

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

Barclays Bank PLC has fixed and floating charge over the assets of G&L Scientific Ltd and G&L Scientific Holdings Ltd.

Bibby Financial Services Ltd had a fixed and floating charge over assets of G&L Scientific Ltd, which applied until 4 April 2023.

G&L SCIENTIFIC HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

16. Deferred taxation**Group**

	2023 £	2022 £
At beginning of year	99,198	2,586
Accelerated capital allowances	2,860	2,612
Losses utilised in the year	(94,000)	94,000
Other timing differences	124,245	-
At end of year	132,303	99,198

	Group 2023 £	Group 2022 £
Tax losses carried forward	-	99,198
Unpaid interest on related party loan	145,516	-
Accelerated capital allowances	(13,213)	-
	132,303	99,198

A deferred tax asset has been recognised in the current year relating to unpaid interest on the related party loan, as at 31 December 2023 it was probable that the interest will be paid and the benefit will be realised.

17. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
2,000,000 (2022 - 2,000,000) Ordinary Shares shares of £0.01 each	20,000	20,000

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

18. Reserves

Share premium account

The share premium account arises from the difference between the par value of the shares in issue and the issue price of the shares.

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 1 January 2021.

Profit and loss account

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

19. Share based payments

During the prior 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. There were no share options granted during the year to 31 December 2023. There was no change in the number of employees who were granted options in 2023.

20. 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 £254,759 (2022 - £117,682). Contributions totaling £30,625 (2022 - £27,803) were payable to the fund at the balance sheet date and are included in creditors.

G&L SCIENTIFIC HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

21. Commitments under operating leases

At 31 December 2023 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2023 £	Group 2022 £
Not later than 1 year	118,000	121,029
Later than 1 year and not later than 5 years	334,824	345,690
Later than 5 years	354,000	472,000
	806,824	938,719

22. Related party transactions

In accordance with the exemption under FRS 102, the Company does not disclose transactions with other wholly-owned companies within the G&L Scientific group.

At 31 December 2023, the Group was owed £NIL (2022 - £93,770) by and owed £10,954 (2022 - £21,239) to Blackrock Pharmaceuticals Ltd, a company in which P Griffin is a director and shareholder and S Loughrey is a shareholder. During the year the group had purchases totalling £89,844 from and sales totalling £16,640 to Blackrock Pharmaceuticals Ltd.

At 31 December 2023, the Group owed £12,000 (2022 - £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 £410,000.

At 31 December 2023, the Group owed £2,552 (2022 - £1,752) to P Griffin, director, for expenses.

At 31 December 2023, the Group owed £198,510 (2022 - £894,037) to P Griffin, director. Interest is accrued on the outstanding loan balance.

During the year, the Group paid rent to Vanwall Property Development Limited, a company in which P Griffin is a director, £48,000.

At 31 December 2023, the Group owed £NIL (2022 - £25,597) to S Loughrey, director.

23. Post balance sheet events

In December 2023 a Sale Agreement was reached with Artemis AcquiCo becoming the 100% shareholder of G&L Scientific Holdings Ltd. The agreement was subsequently completed in March 2024, after the end of the financial reporting period.