

Company Registration No. 03488862 (England and Wales)

**OXFORD PHARMAGENESIS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 OCTOBER 2020**



 **shawgibbs**  
accountants & business advisers

# OXFORD PHARMAGENESIS LIMITED

## COMPANY INFORMATION

---

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

---

# OXFORD PHARMAGENESIS LIMITED

## CONTENTS

---

	<b>Page</b>
Strategic report	1
Directors' report	2 - 3
Independent auditor's report	4 - 5
Statement of comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Notes to the financial statements	9 - 22

---

# OXFORD PHARMAGENESIS LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 OCTOBER 2020**

---

The directors present the strategic report for the year ended 31 October 2020.

### **Fair review of the business**

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

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

The company achieved strong revenue growth of 25% in the year ended 31 October 2020 and growth in profit before tax of 32%. The performance of the US, Australian and Swiss subsidiaries are addressed in the strategic report of Oxford PharmaGenesis Holdings Limited.

### **Principal risks and uncertainties**

The continuing success of the company depends on retaining excellent people and maintaining strong client relationships.

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

We place great emphasis on recruiting, training and retaining excellent people. In addition to our UK offices in Oxford, London and Cardiff, we opened a new office in Cambridge during November 2019. Our growth has enabled us to offer our people excellent opportunities for rewarding work and career progression, contributing to our strong retention rate. Our headcount increased by 21% during the year.

### **Outlook**

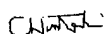
The outlook for Oxford PharmaGenesis remains extremely positive. The company has continued to grow during 2021. It is too early to evaluate the full impact of the COVID-19 pandemic on the company. However, at the time of writing, the company was continuing to experience strong growth in both people and revenue and expect this trend to continue for the foreseeable future.

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

### **Financial Risk Management Objectives and Policies**

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

On behalf of the board



27 Apr 2021

---

Dr Chris Winchester (Apr 28, 2021,  
C.C. Winchester  
Director

# OXFORD PHARMAGENESIS LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 OCTOBER 2020

---

The directors present their annual report and financial statements for the year ended 31 October 2020.

#### **Directors**

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

G A B Shelton  
R White  
C C Winchester

#### **Results and dividends**

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

The profit for the year, after taxation, amounted to £5,572,593 (2019: £4,185,789).

No dividends were paid during the year to the holding company (2019: £2,500,000).

#### **Employee policies, training and development**

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

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

#### **Disabled persons**

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

#### **Going concern**

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

#### **Charitable donations**

During the year the company made charitable donations of £15,970 (2019: £11,296).

# OXFORD PHARMAGENESIS LIMITED

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

---

### Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

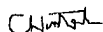
### Auditor

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

### Statement of disclosure to auditor

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

On behalf of the board



27 Apr 2021

---

Dr Chris Winchester (Apr 28, 2021,

12:07pm)  
C C Winchester

Director

# OXFORD PHARMAGENESIS LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF OXFORD PHARMAGENESIS LIMITED

---

#### Opinion

We have audited the financial statements of Oxford PharmaGenesis Limited (the 'company') for the year ended 31 October 2020 set out on pages 6 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### Conclusions relating to going concern

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

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

#### Other information

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

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

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

# OXFORD PHARMAGENESIS LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF OXFORD PHARMAGENESIS LIMITED

---

#### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

#### Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

#### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



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

28 April 2021

**Chartered Certified Accountants**  
**Statutory Auditor**

264 Banbury Road  
Oxford  
OX2 7DY

# OXFORD PHARMAGENESIS LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 OCTOBER 2020

	Notes	2020 £	2019 £
Revenue	3	32,344,983	25,872,718
Cost of sales		(17,599,012)	(14,158,493)
<b>Gross profit</b>		<b>14,745,971</b>	<b>11,714,225</b>
Administrative expenses		(7,873,713)	(6,551,184)
<b>Operating profit</b>	4	<b>6,872,258</b>	<b>5,163,041</b>
Investment income	7	54,796	22,693
Finance costs	8	(9,862)	(10,254)
Other gains and losses	9	(68,241)	-
<b>Profit before taxation</b>		<b>6,848,951</b>	<b>5,175,480</b>
Tax on profit	10	(1,276,358)	(989,691)
<b>Profit for the financial year</b>		<b>5,572,593</b>	<b>4,185,789</b>
<b>Total comprehensive income for the year</b>		<b>5,572,593</b>	<b>4,185,789</b>

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

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

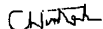
# OXFORD PHARMAGENESIS LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 OCTOBER 2020

	Notes	2020 £	£	2019 £	£
<b>Non-current assets</b>					
Property, plant and equipment	12		4,817,328		3,908,545
Investments	13		164,581		232,822
			<u>4,981,909</u>		<u>4,141,367</u>
<b>Current assets</b>					
Trade and other receivables	15	13,463,943		10,301,657	
Cash and cash equivalents		10,169,516		7,708,727	
		<u>23,633,459</u>		<u>18,010,384</u>	
<b>Current liabilities</b>	16	<u>(8,201,009)</u>		<u>(7,421,420)</u>	
<b>Net current assets</b>			<u>15,432,450</u>		<u>10,588,964</u>
<b>Total assets less current liabilities</b>			<u>20,414,359</u>		<u>14,730,331</u>
<b>Provisions for liabilities</b>	17		<u>(334,668)</u>		<u>(223,233)</u>
<b>Net assets</b>			<u>20,079,691</u>		<u>14,507,098</u>
<b>Equity</b>					
Called up share capital	21		9,917		9,917
Share premium account			79,327		79,327
Capital redemption reserve			465		465
Retained earnings			19,989,982		14,417,389
<b>Total equity</b>			<u>20,079,691</u>		<u>14,507,098</u>

The financial statements were approved by the board of directors and authorised for issue on ...27.Apr.2021.. and are signed on its behalf by:



Dr Chris Winchester (Apr 28, 2021,  
C.W. Winchester

Director

Company Registration No. 03488862

# OXFORD PHARMAGENESIS LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 OCTOBER 2020

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Retained earnings £	Total £
<b>Balance at 1 November 2018</b>		9,917	79,327	465	12,731,600	12,821,309
<b>Year ended 31 October 2019:</b>						
Profit and total comprehensive income for the year		-	-	-	4,185,789	4,185,789
Dividends	11	-	-	-	(2,500,000)	(2,500,000)
<b>Balance at 31 October 2019</b>		9,917	79,327	465	14,417,389	14,507,098
<b>Year ended 31 October 2020:</b>						
Profit and total comprehensive income for the year		-	-	-	5,572,593	5,572,593
<b>Balance at 31 October 2020</b>		9,917	79,327	465	19,989,982	20,079,691

# OXFORD PHARMAGENESIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2020

---

### 1 Accounting policies

#### Company information

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

#### 1.1 Accounting convention

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

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

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

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

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

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

#### 1.2 Going concern

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

#### 1.3 Revenue

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

#### 1.4 Long term contracts

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

#### 1.5 Property, plant and equipment

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

# OXFORD PHARMAGENESIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 OCTOBER 2020

---

#### 1 Accounting policies

(Continued)

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

Land and buildings Freehold	50 years straight line
Leasehold improvements	Straight line over the term of the lease
Plant and machinery	2 - 5 years straight line
Fixtures, fittings & equipment	3 - 10 years straight line

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

#### 1.6 Non-current investments

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

#### 1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.8 Financial instruments

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

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

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

#### **Impairment of financial assets**

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

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

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

# OXFORD PHARMAGENESIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 OCTOBER 2020

---

#### 1 Accounting policies

(Continued)

##### ***Derecognition of financial assets***

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

##### ***Classification of financial liabilities***

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

##### ***Basic financial liabilities***

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

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

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

##### ***Derecognition of financial liabilities***

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

#### 1.9 Equity instruments

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

#### 1.10 Taxation

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

##### ***Current tax***

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

##### ***Deferred tax***

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

# OXFORD PHARMAGENESIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 OCTOBER 2020

---

#### 1 Accounting policies

(Continued)

##### 1.11 Provisions

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

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

##### 1.12 Employee benefits

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

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

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

##### 1.13 Retirement benefits

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

##### 1.14 Share-based payments

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

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

##### 1.15 Leases

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

##### 1.16 Foreign exchange

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

# OXFORD PHARMAGENESIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 OCTOBER 2020

---

#### 2 Judgements and key sources of estimation uncertainty

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

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

#### **Critical judgements**

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

#### **Long term contracts, work in progress and deferred income**

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

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

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

#### **Bad debt provision**

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

#### **Dilapidations provision**

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

# OXFORD PHARMAGENESIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 OCTOBER 2020

#### 3 Revenue

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

	2020	2019
	£	£
Revenue from principal activity	32,344,983	25,872,718

#### Revenue analysed by geographical market

	2020	2019
	£	£
United Kingdom	7,470,320	5,599,454
Overseas	24,874,663	20,273,264
	<u>32,344,983</u>	<u>25,872,718</u>

#### 4 Operating profit

	2020	2019
	£	£
Operating profit for the year is stated after charging/(crediting):		
Foreign Exchange gains	(220,011)	(24,186)
Fees payable to the company's auditor for the audit of the company's financial statements	13,795	13,525
Depreciation of owned property, plant and equipment	518,303	402,775
Loss on disposal of property, plant and equipment	5,595	17,118
Operating lease charges	871,350	504,576

# OXFORD PHARMAGENESIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

### 5 Directors' remuneration

	2020	2019
	£	£
Remuneration for qualifying services	646,941	515,379
Company pension contributions to defined contribution schemes	25,200	24,552
	<u>672,141</u>	<u>539,931</u>

The number of directors for whom retirement benefits were accruing under defined contribution schemes amounted to 3 (2019: 3).

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

Remuneration for qualifying services	269,581	228,285
Company pension contributions to defined contribution schemes	11,100	10,776
	<u>280,681</u>	<u>239,061</u>

### 6 Employees

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

	2020	2019
	Number	Number
Client delivery services	228	190
Support and management services	37	32
	<u>265</u>	<u>222</u>

Their aggregate remuneration comprised:

	2020	2019
	£	£
Wages and salaries	16,405,115	12,930,920
Social security costs	1,517,713	1,236,517
Pension costs	684,165	545,791
	<u>18,606,993</u>	<u>14,713,228</u>

# OXFORD PHARMAGENESIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

<b>7 Investment income</b>	<b>2020</b>	<b>2019</b>
	£	£
<b>Interest income</b>		
Interest on bank deposits	54,796	22,693
	<u>          </u>	<u>          </u>
<b>8 Finance costs</b>	<b>2020</b>	<b>2019</b>
	£	£
Bank charges	9,862	10,254
	<u>          </u>	<u>          </u>
<b>9 Other gains and losses</b>	<b>2020</b>	<b>2019</b>
	£	£
Investments written off	(68,241)	-
	<u>          </u>	<u>          </u>
<b>10 Taxation</b>	<b>2020</b>	<b>2019</b>
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	1,276,358	989,691
	<u>          </u>	<u>          </u>

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

	<b>2020</b>	<b>2019</b>
	£	£
Profit before taxation	6,848,951	5,175,480
	<u>          </u>	<u>          </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19%	1,301,301	983,341
Tax effect of expenses that are not deductible in determining taxable profit	30,771	8,085
Capital allowances in excess depreciation	(79,508)	(18,672)
Share based payment adjustment	23,794	16,937
	<u>          </u>	<u>          </u>
Taxation charge for the year	1,276,358	989,691
	<u>          </u>	<u>          </u>

# OXFORD PHARMAGENESIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

### 11 Dividends

	2020 £	2019 £
Interim paid	-	2,500,000

### 12 Property, plant and equipment

	Land and buildings Freehold £	Leasehold improvements £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>					
At 1 November 2019	3,327,654	839,036	973,847	98,569	5,239,106
Additions	955,431	285,228	147,300	45,196	1,433,155
Disposals	(13,680)	(371,905)	(146,623)	(15,513)	(547,721)
Transfers	(19,784)	-	-	19,784	-
At 31 October 2020	4,249,621	752,359	974,524	148,036	6,124,540
<b>Depreciation and impairment</b>					
At 1 November 2019	151,852	456,847	676,912	44,950	1,330,561
Depreciation charged in the year	83,661	138,624	280,052	15,966	518,303
Eliminated in respect of disposals	(12,762)	(371,576)	(146,389)	(10,925)	(541,652)
At 31 October 2020	222,751	223,895	810,575	49,991	1,307,212
<b>Carrying amount</b>					
At 31 October 2020	4,026,870	528,464	163,949	98,045	4,817,328
At 31 October 2019	3,175,802	382,189	296,935	53,619	3,908,545

### 13 Fixed asset investments

	2020 £	2019 £
Unlisted investments	164,581	232,822

# OXFORD PHARMAGENESIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2020

### 13 Fixed asset investments (Continued)

#### Movements in non-current investments

	Investments other than loans £
<b>Cost or valuation</b>	
At 1 November 2019 & 31 October 2020	232,822
<b>Impairment</b>	
At 1 November 2019	-
Impairment losses	68,241
At 31 October 2020	68,241
<b>Carrying amount</b>	
At 31 October 2020	164,581
At 31 October 2019	232,822

### 14 Subsidiaries

Details of the company's subsidiaries at 31 October 2020 are as follows:

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

### 15 Trade and other receivables

	2020	2019
Amounts falling due within one year:	£	£
Trade receivables	6,971,695	5,784,472
Amount due from parent and fellow subsidiary undertakings	1,833,813	602,082
Other receivables	374,134	367,306
Prepayments and accrued income	4,284,301	3,547,797
	13,463,943	10,301,657

# OXFORD PHARMAGENESIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

### 16 Current liabilities

	2020	2019
	£	£
Trade payables	992,819	970,314
Amounts due to group undertakings	-	2,042,213
Corporation tax	748,735	560,135
Other taxation and social security	633,511	302,778
Other payables	138,954	114,727
Accruals and deferred income	5,686,990	3,431,253
	<u>8,201,009</u>	<u>7,421,420</u>

### 17 Provisions for liabilities

	2020	2019
	£	£
Dilapidation provision	<u>334,668</u>	<u>223,233</u>

#### Movements on provisions:

	Dilapidation provision
	£
At 1 November 2019	223,233
Additional provisions in the year	110,000
Unwinding of discount	1,435
At 31 October 2020	<u>334,668</u>

# OXFORD PHARMAGENESIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 OCTOBER 2020

---

#### 18 Financial risk management

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

(a) to finance its operations;

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

(c) for trading purposes.

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

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

##### Interest rate risk

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

##### Credit risk

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

##### Liquidity risk

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

#### 19 Retirement benefit schemes

	2020	2019
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	684,165	545,791

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

At the year end amounts payable to the pension scheme totalled £138,954 (2019: £115,377).

#### 20 Share-based payment transactions

Oxford PharmaGenesis Holdings Limited has granted rights to the employees of Oxford PharmaGenesis Limited for the equity instruments of Oxford PharmaGenesis Holdings Limited. The share options vest after 5-9 years from the option grant date.

# OXFORD PHARMAGENESIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 OCTOBER 2020

#### 20 Share-based payment transactions

(Continued)

	Number of share options	
	2020 Number	2019 Number
Outstanding at 1 November 2019	5,100	3,400
Granted	-	1,700
Forfeited	(300)	-
Exercised	(900)	-
	<u>3,900</u>	<u>5,100</u>
Outstanding at 31 October 2020	3,900	5,100
	<u>100</u>	<u>400</u>
Exercisable at 31 October 2020	100	400

900 share options were exercised during the year (2019: none).

The options outstanding at 31 October 2020 had an exercise price ranging from £14.36 to £240.86 and a remaining contractual life of 0-9 years.

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The fair value of employee share options is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the instruments were granted. The services received and a liability to pay for those services are recognised over the expected vesting period. The fair value of options expensed in the year ended 31 October 2020 was £125,231 (2019: £89,144).

#### 21 Share capital

	2020 £	2019 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
4,668 Ordinary shares of 25p each	1,167	1,167
35,000 Ordinary "A" shares of 25p each	8,750	8,750
	<u>9,917</u>	<u>9,917</u>

# OXFORD PHARMAGENESIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 OCTOBER 2020

---

#### 22 Operating lease commitments

##### Lessee

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

	2020	2019
	£	£
Within one year	771,355	498,993
Between two and five years	1,930,625	2,513,887
	<u>2,701,980</u>	<u>3,012,880</u>

#### 23 Financial commitments, guarantees and contingent liabilities

As at the year end, the company had financial commitments and guarantees totalling £Nil (2019: £886,402).

#### 24 Remuneration of key management personnel

The remuneration of key management personnel and directors was £1,411,506 (2019: £1,169,867).

#### 25 Related party transactions

During the year, the company paid rental amounts totalling £62,396 (2019: £51,110) to Northmoor Enterprises, a partnership in which one of the directors is a partner.

At the year end, the company was owed £471,433 (2019: £256,510) by Oxford Health Policy Forum CIC, a community interest company in which two of the directors are also directors of Oxford PharmaGenesis Limited.

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

#### 26 Ultimate controlling party

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

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