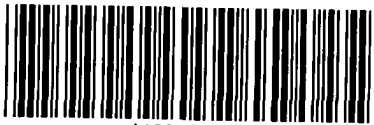


LEX DIAGNOSTICS LIMITED
Report and accounts 2022

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Diagnostics

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Directors, officers and advisers

Directors	Andrew Baker-Campbell (Chairman) Harry Bullivant Keith Haddow
Company secretary	Keith Haddow
Registered office	Melbourn Science Park Melbourn Herts SG8 6EE
Auditor	Ernst & Young LLP One Cambridge Business Park Cambridge CB4 0WZ
Bankers	HSBC UK Bank plc 50-60 Station Road Cambridge CB1 2JH
Solicitors	Goodwin Procter (UK) LLP 50-60 Station Road Cambridge CB1 2JH

Strategic report

Principal activity

The principal activity of the company is the development of a rapid molecular diagnostic system.

Review of the business and future developments

LEX Diagnostics aims to bring the sensitivity of molecular diagnostics into GP's clinics and pharmacies. Our market research has prioritised the need for quick and definitive diagnoses at a low cost per test. As most testing is carried out by non-specialist staff, ease of use is a key factor. These needs are not addressed by existing products, which are typically very accurate, but slow and expensive. LEX is developing a new platform based on a desktop reader and disposable cartridge to satisfy these needs. This is enabled by core IP developed at TTP and assigned to LEX.

In the last year we have continued to develop our launch product. Our business model is dominated by the margin we expect to earn on the consumable, so confidence that our cartridge can be manufactured at a low cost of goods and in volume is critical. We have worked on design, manufacturing processes and supplier relationships to achieve a <\$5 cost of goods which has been validated by several credible external parties including Jabil and Roche. Progress towards our ambitious technical goals has been slower than we would like, with setbacks on instrument reliability and challenges from the variability of human samples. However, we have achieved on-cartridge amplification at target speed and sensitivity in clean samples and we are pushing to close the gap to human samples.

Financial performance

The loss for the year was £7,677,000 (2021 – 14-month period – £5,331,000).

Principal risks and uncertainties

Market risk

The company faces the risk of competition from other companies involved in the development of molecular diagnostic systems. Additionally, the company faces the risk of the loss of its commercial partner and a failure to find a new one. We manage these risks by constantly striving to develop an innovative, cost-effective product with our commercial partner and by fostering a culture of innovation amongst our development staff.

Operational risk

There is a risk that the company will not be able to recruit and retain sufficient numbers of technical experts to develop and manufacture the company's product. We manage this risk through our recruitment policies and offering attractive career and professional development opportunities. There is also a risk that a supplier might fail or otherwise be unable to supply key components. This risk is managed by the sourcing of components from a range of suppliers.

Financial risk management objectives and policies

The company is dependent on funding provided by its parent undertaking, TTP Group Limited ('TTP Group'). The company's financial liabilities comprise the treasury balance with TTP Group, trade creditors and other creditors.

Approved by the board on 29 September 2022 and signed on its behalf by:



Keith Haddow Director

Directors' report

Company Registered number 12455716

The directors present their report and accounts for the year ended 31 March 2022.

Results and dividends

The loss for the year was £7,677,000 (2021 – 14 month period - £5,331,000). The directors do not recommend the payment of a dividend (2021- £nil).

Directors

The directors who served during the year, and to the date of this report were as follows:

Andrew Baker-Campbell
Harry Bullivant (appointed 28 June 2021)
Keith Haddow

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position, are set out in the strategic report. The strategic report also describes the financial position of the company and gives details of the company's financial instruments and the risks relating thereto.

The company is party to a cross-guarantee arrangement with the other companies in the group headed by TTP Group Ltd ('TTP Group') in connection with a group loan. Further, the company is part of the group treasury arrangement whereby funds are 'swept' to/from TTP Group. Accordingly, the company's going concern status is intrinsically linked to that of the group. Therefore, the directors have obtained a support letter indicating that TTP Group is able and willing to provide sufficient resources as required to enable the company to meet its liabilities as they fall due over the going concern assessment period to 30 September 2023. In doing so the directors have considered the ability of TTP Group to provide such support.

The directors of TTP Group have prepared a base case forecast for the group as a whole for the going concern assessment period to 30 September 2023 incorporating conservative assessments of trading in the core consultancy businesses, given the current economic environment, but which continue to generate strong profits for the group and support the financing of other aspects of operations. The forecast also reflects ongoing investment into the remaining three venture company businesses that are currently loss making, the completion of construction of TTP Campus with further significant payments of £13.8m, which are tracking in line with budget, up to the expected completion date in February 2023, the continued annual payments to the employee ownership trust (EOT) of which £16m was paid in September 2022 and £20.5m that is forecast to be paid in September 2023 (the payments to the EOT are in the nature of gifts as explained in the accounts of TTP Group) and that the current bank loan is settled through a re-financing on the completion of TTP Campus in the first quarter of 2023. Within this base case forecast the group would have sufficient cash and funding headroom throughout the going concern assessment period to continue to meet liabilities as they fall due.

However, the directors of TTP Group have also stress-tested this base case forecast to review downside scenarios, recognising that there are uncertainties in any forecasts. Whilst they consider it highly unlikely that the re-finance will not go ahead, given discussions with the group's bankers and beneficial variations already provided by them on covenants for the existing loan, they have modelled a scenario where the re-finance does not take place during the going concern assessment period, given it is not certain. In these circumstances the existing loan would remain in place, which has covenant restrictions in the loan agreement that would potentially be breached as at 30 September 2023 assuming the other base case assumptions were achieved. Accordingly, the directors of TTP Group identified mitigating actions which could be taken in such a scenario that would enable the current loan to be repaid should it be required. These controllable actions are the reduction in activity or closure of the current loss-making subsidiaries with redeployment of staff, and the deferral of a proportion of the next planned gift to the EOT in September 2023 in line with the terms of the EOT. These mitigating actions would also provide additional liquidity should the conservative trading assumptions in the forecast not be achieved. Further actions that could be taken, though would not be required to settle the existing loan, would be the sale and leaseback of TTP Campus or the sale of further venture companies.

Directors' report (continued)

Going concern (continued)

Based on the base case forecasts and stress testing performed, including modelling downside scenarios and the controllable mitigations indicated above, the directors of TTP Group believe that the group will be able to meet its liabilities as and when they fall due for the going concern assessment period to 30 September 2023. The directors of this company concur with that assessment. Accordingly, these accounts are prepared on a going concern basis.

Directors' and officers' indemnity insurance

The company has taken out insurance to indemnify, against third party proceedings, the directors of the company. This indemnity policy subsisted throughout the period and remains in place at the date of this report.

Research and development

The company is undertaking the development of a rapid molecular diagnostic system.

Disclosure of information to the auditor

So far as each director is aware, there is no relevant audit information of which the company's auditor is unaware. Each director has taken all steps that he ought to have taken in his duty as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

By order of the board



Keith Haddow Secretary

29 September 2022

Statement of directors' responsibilities

The directors are responsible for preparing the report and accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom accounting standards and applicable law), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the accounts 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 for that period.

In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts 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.

Independent auditor's report to the shareholder of LEX Diagnostics Limited

Opinion

We have audited the accounts of LEX Diagnostics Limited for the year ended 31 March 2022 which comprise the profit and loss account, statement of changes in equity, balance sheet and the related notes 1 to 17, 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- give a true and fair view of the company's affairs as at 31 March 2022 and of its loss 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 accounts section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the accounts, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the accounts 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 and parent company's ability to continue as a going concern for a period to 30 September 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

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

Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in this 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 accounts 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 there is a material misstatement in the accounts themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter 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 strategic report and the directors' report for the financial period for which the accounts are prepared is consistent with the accounts; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Independent auditor's report to the shareholder of LEX Diagnostics Limited (continued)

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 or 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 or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts 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 statement of directors' responsibilities set out on page 5, the directors are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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 accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (UK GAAP), the Companies Act 2006 and the relevant tax compliance regulations in the jurisdictions in which the company operates.
- We understood how LEX Diagnostics Limited is complying with those frameworks by making enquiries of management and those responsible for legal and compliance. We corroborated these enquiries through our review of board meeting minutes. We tested managements entity level controls to understand the company culture of honest and ethical behaviour, including the emphasis on fraud prevention.
- We assessed the susceptibility of the Company's accounts to material misstatement, including how fraud might occur by through our discussions with management through various parts of the business to understand where there is susceptibility for fraud. We also considered management performance targets and how these could influence any attempts to manage earnings. We also gained an understanding and tested internal controls designed by the company to prevent, deter and detect fraud.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved testing journal entries, with an emphasis placed on manual journal entries recorded to revenue and any other large or unusual transactions to gain reasonable assurance that the accounts were free from fraud and error. Furthermore, we performed procedures to conclude on the compliance of disclosures made in the annual report and accounts with all applicable requirements.

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

Independent auditor's report to the shareholder of LEX Diagnostics Limited (continued)

Use of our report

This report is made solely to the company's shareholder 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 shareholder 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 shareholder for our audit work, for this report, or for the opinions we have formed.

Handwritten signature of Fraser Bull in black ink, with 'Ernst & Young LLP' written in a smaller font below it.

Fraser Bull Senior statutory auditor
for and on behalf of Ernst & Young LLP, Statutory auditor
Cambridge
29 September 2022

Profit and loss account
for the year ended 31 March 2022

	Notes	2022 £000	2021 (14 months) £000
Turnover	3	-	69
Operating expenses	4	(7,577)	(5,387)
Operating loss		(7,577)	(5,318)
Interest payable on group treasury balance		(83)	(13)
Loss before tax		(7,660)	(5,331)
Tax charge on loss		(17)	-
Loss after tax and total comprehensive loss for the year		(7,677)	(5,331)

Statement of changes in equity

for the year ended 31 March 2022

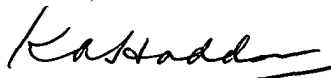
	Share capital £000	Capital contribution £000	Profit and loss account £000	Total deficit in equity £000
On incorporation	-	-	-	-
Credit to equity for share-based payments (note 15)	-	6	-	6
Loss for the period	-	-	(5,331)	(5,331)
At 1 April 2021	-	6	(5,331)	(5,325)
Loss for the year	-	-	(7,677)	(7,677)
At 31 March 2022	-	6	(13,008)	(13,002)

Balance sheet

at 31 March 2022

	Notes	2022 £000	2021 £000
Fixed assets			
Tangible assets	8	293	159
		293	159
Current assets			
Debtors	9	794	593
		794	593
Creditors: amounts falling due within one year	10	(14,089)	(6,077)
Net current liabilities		(13,295)	(5,484)
Total assets less current liabilities		(13,002)	(5,325)
Capital and reserves			
Capital contribution	13	6	6
Profit and loss account		(13,008)	(5,331)
Deficit in equity		(13,002)	(5,325)

The report and accounts were approved and authorised for issue by the board of directors on 29 September 2022 and signed on its behalf by:



Keith Haddow Director

Notes to the accounts

31 March 2022

1 CORPORATE INFORMATION

LEX Diagnostics Limited is a private company limited by shares and incorporated in England and Wales. The registered office is shown on page 2. The company's operations and activities are described in the strategic report on page 3.

2 ACCOUNTING POLICIES

Basis of accounting

The accounts are prepared in accordance with accounting standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (Revised 2018). The accounts are prepared in sterling, which is the functional currency of the company, and rounded to the nearest £1,000.

Judgements and key sources of estimation uncertainty

The preparation of the accounts requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities, revenues and expenses. However, the nature of estimation means that actual outcomes may differ from those estimates. The key assumptions and sources of estimation uncertainty arise from impairment of assets. Management make judgements about fixed assets, thereby identifying the need for impairment provisions.

Cash flow statement

The company has taken the exemption from preparing a cash flow statement under the terms of FRS 102, as the ultimate parent undertaking prepares a consolidated cash flow statement, which includes the results of this company, and which is publicly available.

Financial instruments

The company has taken the exemption under the terms of FRS 102 from disclosing the measurement bases, carrying values by category and the other accounting policies used for financial instruments.

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position, are set out in the strategic report. The strategic report also describes the financial position of the company and gives details of the company's financial instruments and the risks relating thereto.

The company is party to a cross-guarantee arrangement with the other companies in the group headed by TTP Group Ltd ('TTP Group') in connection with a group loan. Further, the company is part of the group treasury arrangement whereby funds are 'swept' to/from TTP Group. Accordingly, the company's going concern status is intrinsically linked to that of the group. Therefore, the directors have obtained a support letter indicating that TTP Group is able and willing to provide sufficient resources as required to enable the company to meet its liabilities as they fall due over the going concern assessment period to 30 September 2023. In doing so the directors have considered the ability of TTP Group to provide such support.

The directors of TTP Group have prepared a base case forecast for the group as a whole for the going concern assessment period to 30 September 2023 incorporating conservative assessments of trading in the core consultancy businesses, given the current economic environment, but which continue to generate strong profits for the group and support the financing of other aspects of operations. The forecast also reflects ongoing investment into the remaining three venture company businesses that are currently loss making, the completion of construction of TTP Campus with further significant payments of £13.8m, which are tracking in line with budget, up to the expected completion date in February 2023, the continued annual payments to the employee ownership trust (EOT) of which £16m was paid in September 2022 and £20.5m that is forecast to be paid in September 2023 (the payments to the EOT are in the nature of gifts as explained in the accounts of TTP Group) and that the current bank loan is settled through a re-financing on the completion of TTP Campus in the first quarter of 2023.

Notes to the accounts

31 March 2022

2 ACCOUNTING POLICIES (continued)

Going concern (continued)

Within this base case forecast the group would have sufficient cash and funding headroom throughout the going concern assessment period to continue to meet liabilities as they fall due.

However, the directors of TTP Group have also stress-tested this base case forecast to review downside scenarios, recognising that there are uncertainties in any forecasts. Whilst they consider it highly unlikely that the re-finance will not go ahead, given discussions with the group's bankers and beneficial variations already provided by them on covenants for the existing loan, they have modelled a scenario where the re-finance does not take place during the going concern assessment period, given it is not certain. In these circumstances the existing loan would remain in place, which has covenant restrictions in the loan agreement that would potentially be breached as at 30 September 2023 assuming the other base case assumptions were achieved. Accordingly, the directors of TTP Group identified mitigating actions which could be taken in such a scenario that would enable the current loan to be repaid should it be required. These controllable actions are the reduction in activity or closure of the current loss-making subsidiaries with redeployment of staff, and the deferral of a proportion of the next planned gift to the EOT in September 2023 in line with the terms of the EOT. These mitigating actions would also provide additional liquidity should the conservative trading assumptions in the forecast not be achieved. Further actions that could be taken, though would not be required to settle the existing loan, would be the sale and leaseback of TTP Campus or the sale of further venture companies.

Based on the base case forecasts and stress testing performed, including modelling downside scenarios and the controllable mitigations indicated above, the directors of TTP Group believe that the group will be able to meet its liabilities as and when they fall due for the going concern assessment period to 30 September 2023. The directors of this company concur with that assessment. Accordingly, these accounts are prepared on a going concern basis.

Intangible assets

Acquired intangibles

Intangible assets acquired separately from a business combination are capitalised at cost, classified as assets on the balance sheet and amortised on a straight line basis over their useful lives. Intangible assets created within the business are not capitalised. Expenditure is charged against profits in the period in which it is incurred.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation less accumulated depreciation and accumulated impairment losses.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset on a straight-line basis over its estimated useful life as follows:

Plant and equipment – 3 to 10 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Revenue recognition

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of goods have passed to the buyer, usually on the dispatch of goods.

Notes to the accounts

31 March 2022

2 ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Consulting fees

Turnover in respect of consulting fees represents the proportion of contract value applicable to the activity in the period, including rebillable costs and handling charges, ascertained by reference to valuation of the work carried out to date. The related costs are matched with this turnover, resulting in the reporting of attributable profit proportionate to the contract activity.

Estimates of total contract costs and revenues are reviewed periodically, and the cumulative effect of changes are recognised in the period in which they are identified. All known or anticipated losses are provided for in full as soon as they are foreseen.

Net costs incurred in excess of amounts transferred to cost of sales and revenues recognised in excess of amounts billed are classified as amounts recoverable under contracts and included in debtors. Amounts billed in excess of revenues recognised to date are classified as payments on account and included in creditors.

Foreign currency

Transactions denominated in foreign currencies are recorded in the functional currency at actual exchange rates as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange prevailing at the balance sheet date. Any gain or loss arising is included in the profit and loss account.

Research and development expenditure

Research and development expenditure is written off through the profit and loss account in the year of expenditure.

Pensions

The company participates in a Group Personal Pension Plan. Contributions are charged to the profit and loss account as they become payable in accordance with the Plan rules.

Deferred taxation

Deferred tax is recognised in respect of all timing differences, except that deferred tax assets are recognised only to the extent that the directors consider it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Timing differences arise when incomes or expenses are recognised in the taxable profit in a different period to their recognition in the accounting profit.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

3 TURNOVER

Turnover represents the amounts derived from the provision of goods and services stated net of value added tax. Turnover is analysed by activity as follows:

	2022	2021
	£000	(14 months) £000
Consulting fees	-	69

All turnover arises within the United Kingdom and was contributed from the United Kingdom.

Notes to the accounts

31 March 2022

4 OPERATING EXPENSES

Operating expenses for the year include:

	2022 £000	2021 (14 months) £000
Depreciation of tangible fixed assets (note 8)	61	11
Operating lease rentals – land and buildings	73	35
Auditor's remuneration:		
- Audit of the accounts	9	9
- Other fees to auditor – taxation compliance services	3	3
Research and development expenditure written off	2,743	658

5 DIRECTORS' REMUNERATION

The sole director paid by the company received the following remuneration:

	2022 £000	2021 £000
Emoluments	62	-
Pension contributions	6	-
	68	-

In addition, £9,000 was paid to TTP Group Limited in respect of the qualifying services of one director. Two directors received pension benefits under the TTP Group Limited Group Personal Pension Plan. No director exercised share options in the year.

6 STAFF COSTS

	2022 £000	2021 (14 months) £000
Salaries	1,343	582
Social security costs	148	59
Pension costs (note 14)	131	50
Share-based payments (note 15)	-	6
	1,622	697

The average monthly numbers of persons (including executive directors) employed by the company during the year were as follows:

	2022 £000	2021 (14 months) £000
Research & development	22	8
Management & administration	2	1
	24	9

Notes to the accounts

31 March 2022

7 TAX ON LOSS

- a) The tax charge on the loss for the year is made up as follows:

	2022 £000	2021 (14 months) £000
Deferred tax: Originating and reversal of timing differences	17	-
Tax charge on loss	17	-

- b) Factors affecting the tax charge for the year:

The tax assessed for the year differs from the standard rate of corporation tax in the UK.
The differences are explained below:

	2022 £000	2021 (14 months) £000
Loss before tax	(7,660)	(5,331)
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2021 – 19%)	(1,455)	(1,013)
Effect of:		
Expenses not deductible for tax purposes and non-taxable income	-	1
Enhanced tax relief for research and development expenditure	(678)	(316)
Group relief surrendered for nil payment	892	1,254
Tax losses not recognised	1,258	74
Total tax charge on loss	17	-

- c) Factors that may affect future tax charges

The rate of corporation tax is due to increase to 25% on 1 April 2023. Deferred tax balances have been calculated accordingly.

Notes to the accounts

31 March 2022

8 TANGIBLE FIXED ASSETS

	Plant and equipment £000
Cost	
At 1 April 2021	170
Additions	282
Transfer to a fellow subsidiary	(93)
At 31 March 2022	359
Depreciation	
At 1 April 2021	11
Provided in the year	61
Transfer to a fellow subsidiary	(6)
At 31 March 2022	66
Net book value	
At 31 March 2022	293
At 1 April 2021	159

9 DEBTORS

	2022 £000	2021 £000
Other debtors	260	221
Prepayments and accrued income	534	372
	794	593

10 CREDITORS: amounts falling due within one year

	2022 £000	2021 £000
Trade creditors	123	83
Amounts owed to group undertakings	13,783	5,835
Accruals and deferred income	183	159
	14,089	6,077

Amounts due to group undertakings comprises amounts due to fellow subsidiary undertakings and amounts due to the parent undertaking. The former are on normal commercial repayment terms. The latter arise under the group's treasury arrangement and are unsecured, repayable on demand and bear interest at 1% per annum.

Notes to the accounts

31 March 2022

11 OBLIGATIONS UNDER LEASES

Total minimum commitments under non-cancellable operating leases are as follows:

	Land & buildings	
	2022 £000	2021 £000
Within one year	82	72

12 CALLED UP SHARE CAPITAL

	Allotted, called up and fully paid	
	2022 £	2021 £
100 ordinary shares of £1 each	100	100

13 RESERVES

Capital contribution

This reserve records the investment made in the company by the parent company arising from the award of shares and share options by the parent company to staff of this company.

14 GUARANTEES AND OTHER FINANCIAL COMMITMENTS

a) Pension commitments

During the period, the company participated in the TTP Group Limited Group Personal Pension Plan ('Plan'). The pension cost charge represents contributions payable by the company to the Plan and amounted to £131,000 (2021 - £50,000). The creditor outstanding at 31 March 2022 was £nil (2021 - £nil).

b) Bank guarantee

The company is party to a cross-guarantee with other members of the group.

15 SHARE-BASED PAYMENTS

The company participated in a HM Revenue & Customs approved share incentive plan, operated by TTP Group Limited. Employees could save in order to acquire shares in TTP Group Limited and receive alongside an award of free matching shares. Following an award in April 2021 the plan was closed.

As permitted by FRS 102, the company has not disclosed details of the share-based payment expense arising from employees' participation in this scheme.

16 RELATED PARTY TRANSACTIONS

Andrew Baker-Campbell had an interest-free and an interest-bearing loan from TTP Group Limited. The balances outstanding at 31 March 2021 were £166 and £270, respectively. The loans were repaid on 6 April 2021.

Harry Bullivant had interest-free loans from TTP Group Limited. The balances outstanding at 31 March 2021 were £4,284 and £472. The loans were repaid on 13 September 2021.

17 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate and ultimate parent undertaking is TTP Group Limited and the controlling part is TTP Group Employee Ownership Trust. The smallest and largest group which consolidates the results of the company is headed by TTP Group Limited. Copies of TTP Group Limited's accounts are available from the company at Melbourn Science Park, Melbourn, Hertfordshire, SG8 6EE.