

**PROPATH (UK) LIMITED**

**AUDITED FINANCIAL STATEMENTS**

**INFORMATION FOR FILING WITH THE REGISTRAR**

**FOR THE YEAR ENDED 30 JUNE 2021**

STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	4	482,476	452,922
Investments	5	114,271	103,110
		<u>596,747</u>	<u>556,032</u>
<b>Current assets</b>			
Stocks	6	63,348	91,057
Debtors: amounts falling due after more than one year	7	16,530	16,530
Debtors: amounts falling due within one year	7	1,044,381	1,210,387
Cash at bank and in hand		1,273,285	602,571
		<u>2,397,544</u>	<u>1,920,545</u>
Creditors: amounts falling due within one year	8	(248,356)	(162,328)
<b>Net current assets</b>		<u>2,149,188</u>	<u>1,758,217</u>
<b>Total assets less current liabilities</b>		<u>2,745,935</u>	<u>2,314,249</u>
<b>Provisions for liabilities</b>			
Deferred tax		(118,240)	(83,919)
		<u>(118,240)</u>	<u>(83,919)</u>
<b>Net assets</b>		<u><u>2,627,695</u></u>	<u><u>2,230,330</u></u>
<b>Capital and reserves</b>			
Called up share capital		5,000	5,000
Capital redemption reserve		5,000	5,000
Other reserves		24,563	13,402
Profit and loss account		2,593,132	2,206,928
		<u><u>2,627,695</u></u>	<u><u>2,230,330</u></u>

**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 30 JUNE 2021**

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The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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

**Dr K Soni**  
Director

Date: 31 March 2022

The notes on pages 3 to 10 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

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**1. GENERAL INFORMATION**

Propath (UK) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Willow Court, Netherwood Road, Hereford, HR2 6JU.

**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 Section 1A of 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 management to exercise judgment in applying the company's accounting policies.

The following principal accounting policies have been applied:

**2.2 GOING CONCERN**

As a consequence of the Coronavirus pandemic, several of Propath's customers experienced significant challenges with their clinical and pre-clinical research programmes during 2020 and 2021. This had a significant impact on Propath during the financial year ending June 2021, with a number of studies being scaled back or cancelled. In response, the company temporarily placed a number of employees on furlough. Despite these challenging circumstances, Propath remained profitable throughout the period, achieving EBITDA of £466.5K for FY21.

Propath's current trading has returned to pre-pandemic levels. Furthermore, following the company's investments in new technology, Propath is benefiting from strong revenue growth particularly in its molecular pathology division. The company is performing in line with its financial budget for FY22. Combined with the company's strong financial position and forward order book, these factors provide the director with confidence that Propath is well placed to continue as a going concern.

**2.3 FOREIGN CURRENCY TRANSLATION**

**Functional and presentation currency**

The company's functional and presentational currency is GBP.

**Transactions and balances**

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

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**2. ACCOUNTING POLICIES (continued)**

**2.4 REVENUE**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company 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:

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

**2.5 OTHER OPERATING INCOME**

Other operating income relates to income receivable in relation to research and development tax credits and government grants which are recognised in the period to which they relate.

**2.6 GOVERNMENT GRANTS**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

During the year the company has recognised £58,726 (2020: £32,382) in relation to the Coronavirus Job Retention Scheme. The amount is recognised within cost of sales. The company also received £10,000 in relation to the Covid-19 business grant which is included within other operating income.

**2.7 PENSIONS**

**DEFINED CONTRIBUTION PENSION PLAN**

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company 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 Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

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**2. ACCOUNTING POLICIES (continued)**

**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 reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**2.9 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.

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:

Plant and machinery	-	20%	reducing balance
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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.

**2.10 VALUATION OF INVESTMENTS**

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each reporting date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Statement of Financial Position date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

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**2. ACCOUNTING POLICIES (continued)**

**2.11 STOCKS**

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

**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.

**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.

**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 PROVISIONS FOR LIABILITIES**

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

**2.16 FINANCIAL INSTRUMENTS**

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

**3. EMPLOYEES**

The average monthly number of employees, including directors, during the year was 29 (2020: 40).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021

4. TANGIBLE FIXED ASSETS

	Plant and machinery £
<b>COST OR VALUATION</b>	
At 1 July 2020	758,608
Additions	130,674
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At 30 June 2021	889,282
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<b>DEPRECIATION</b>	
At 1 July 2020	305,686
Charge for the year on owned assets	101,120
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At 30 June 2021	406,806
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<b>NET BOOK VALUE</b>	
At 30 June 2021	<u>482,476</u>
At 30 June 2020	<u>452,922</u>



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021

5. FIXED ASSET INVESTMENTS

	Listed investments £	Unlisted investments £	Total £
<b>COST OR VALUATION</b>			
At 1 July 2020	103,110	112,500	215,610
Revaluations	11,161	-	11,161
At 30 June 2021	<u>114,271</u>	<u>112,500</u>	<u>226,771</u>
<b>IMPAIRMENT</b>			
At 1 July 2020	-	112,500	112,500
At 30 June 2021	<u>-</u>	<u>112,500</u>	<u>112,500</u>
<b>NET BOOK VALUE</b>			
At 30 June 2021	<u>114,271</u>	<u>-</u>	<u>114,271</u>
<b>At 30 June 2020</b>	<u>103,110</u>	<u>-</u>	<u>103,110</u>

The historic cost of listed investments as at 30 June 2021 is £89,962 (2020: £89,962).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021

6. STOCKS

	2021 £	2020 £
Work in progress	16,255	23,703
Finished goods and goods for resale	47,093	67,354
	<u>63,348</u>	<u>91,057</u>

7. DEBTORS

	2021 £	2020 £
<b>DUE AFTER MORE THAN ONE YEAR</b>		
Other debtors	16,530	16,530
	<u>16,530</u>	<u>16,530</u>

	2021 £	2020 £
<b>DUE WITHIN ONE YEAR</b>		
Trade debtors	176,033	385,169
Amounts owed by group undertakings	737,562	732,293
Other debtors	21,274	16,493
Prepayments and accrued income	58,635	8,323
Tax recoverable	50,877	68,109
	<u>1,044,381</u>	<u>1,210,387</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	167,860	105,464
Other taxation and social security	10,855	46,347
Other creditors	23,490	3,216
Accruals and deferred income	46,151	7,301
	<u>248,356</u>	<u>162,328</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

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**9. PENSION COMMITMENTS**

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £20,231 (2020: £20,140). Contributions totaling £3,065 (2020: £3,216) were payable to the fund as at year end and are included in creditors.

**10. RELATED PARTIES**

Propath Group Holdings Limited is the immediate and ultimate parent company. The registered office of Propath Group Holdings Limited is Willow Court, Netherwood Road, Hereford, United Kingdom, HR2 6JU.

The company maintains interest free loan accounts with companies controlled by the director which are unsecured and repayable on demand. At the year end the company was owed £737,562 from (2020: £732,293 owed to) companies controlled by the director.

The company maintains an interest free loan account with the director which is unsecured and repayable on demand. At the balance sheet date £20,325 was owed to (2020: £136 owed by) the director.

**11. AUDITORS' INFORMATION**

The auditors' report on the financial statements for the year ended 30 June 2021 was unqualified.

The audit report was signed on 31 March 2022 by Ria Burridge FCCA (Senior statutory auditor) on behalf of Bishop Fleming LLP.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.