

Company Registration No. 11620148

Contura Animal Health Holdings Limited

Annual Report and Financial Statements

For the year ended 31 December 2020

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Contura Animal Health Holdings Limited

Annual report and financial statements 2020

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Contura Animal Health Holdings Limited

Annual report and financial statements 2020

Officers and professional advisers

Directors

P.J. Banks
R.C. Tailor
I. Jacobson
G.J. Fraser-Pye

Secretary

P.J. Banks

Registered office

14 Took's Court
London
EC4A 1LB

Company registration number

11620148

Solicitors

Devonshires Solicitors
30 Finsbury Circus
London
EC2M 7DT

Contura Animal Health Holdings Limited

Directors' report

The directors present their report on the affairs of the Company, together with the financial statements for the financial year ended 31 December 2020.

DIRECTORS

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

P.J. Banks
R.C. Tailor
I. Jacobson
G.J. Fraser-Pye

PRINCIPAL ACTIVITIES

The principal activity of the Company is to act as holding company for the veterinary company, Contura Vet Limited, based in Ireland. There have been no significant changes in the Company's activities during the year.

FUTURE DEVELOPMENTS

The directors expect to continue the Company's policy of holding its investment in Contura Vet Limited and providing capital to that business to facilitate its expansion of its polyacrylamide hydrogel franchise for the treatment of animals.

RESULTS AND DIVIDENDS

The retained loss for the financial period amounted to £46,944 (2019 - £3,777), which was transferred to reserves at 31 December 2020. The directors did not declare a dividend for the period.

DIRECTORS' INDEMNITEES

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the period and remain in force at the date of this report.

GOING CONCERN

The Company generated a net loss of £46,944 (2019 - £3,777) during the year. The Company's total net liabilities at 31 December 2020 were £50,621 (2019 - £3,677) while its net current liabilities were £1,376,192 (2019 - £723,646) and its cash was £100 (2019 - £100).

The Company's loan facility from a related undertaking, Contura Limited, is repayable on demand and amounted to £1,154,593 at 31 December 2020 (2019 - £1,002,804). Contura Limited has agreed to provide the financial and other support reasonably necessary, directly or indirectly, to ensure that the Company may continue trading as a going concern and meet its obligations as they fall due for payment.

The Company's forecasts and projections take into consideration reasonably possible changes in trading performance at its subsidiary undertaking, Contura Vet Limited, recognising the inherent uncertainty associated with the quantum and timing of its future sales.

Based on the foregoing these financial statements have been prepared on a going concern basis.

Contura Animal Health Holdings Limited

Directors' report (continued)

IMPACT OF COVID-19

During year, Corona Virus Disease 2019 ("Covid 19") spread to many countries throughout the world and was designated a pandemic by the World Health Organisation.

As a result of Covid-19, many countries have implemented measures to contain the virus. These measures range in severity, but typically involve a degree of lockdown that limits the movement of people and prevents significant gatherings. These measures had an effect upon the revenues of the Company's subsidiary undertaking in 2020 and are expected to continue to impact revenues into the future, with the result that the Company's ability to service its debt obligations may be impacted.

Management has assessed the likely impact of Covid-19 upon the Company's business and that of its subsidiary undertaking and is confident that while its subsidiary undertaking will continue to experience reduced turnover compared with what might otherwise have been expected, the Company is financially well placed to weather the anticipated downturn. Furthermore, Management has reviewed the potential impact upon its business and that of its subsidiary undertaking, of interruptions to product supply caused by Covid-19 related disturbances at its key suppliers. Management considers such potential impact to be small.

SMALL COMPANIES EXEMPTION

The Company has availed itself of the small companies exemption contained in the Companies Act 2006 with regard to the requirements for exclusion of certain information in the directors report.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and 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; and
- prepare the financial statements 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 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.

Contura Animal Health Holdings Limited

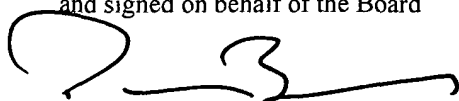
Directors' report (continued)

DIRECTORS' DECLARATION ON UNAUDITED FINANCIAL STATEMENTS

In relation to the financial statements set out on pages 5 to 14:

- The directors approve these financial statements and confirm that they are responsible for them, including selecting the appropriate accounting policies, applying them consistently and making, on a reasonable and prudent basis, the judgements underlying them. They have been prepared on the going concern basis on the grounds that the Company will continue in business.
- The directors confirm that they have made available all the Company's accounting records and provided all the information necessary for the compilation of the financial statements.
- The directors confirm that to the best of their knowledge and belief, the accounting records reflect all the transactions of the Company for the financial year ended 31 December 2020.

Approved by the Board of Directors
and signed on behalf of the Board



P. J. Banks
Secretary

9 September 2021

Contura Animal Health Holdings Limited

Profit and loss account

Year ended 31 December 2020

	Note	2020 £	2019 £
Turnover		248,663	179,560
Cost of sales		-	-
Gross profit		248,663	179,560
Other operating expenses	2	(270,006)	(183,535)
Operating profit (loss)	4	(21,343)	(3,975)
Finance (expense) income, net	3	(25,601)	198
Loss before taxation		(46,944)	(3,777)
Tax on loss		-	-
Loss after taxation, being loss for the financial period		(46,944)	(3,777)

All activities derive from continuing operations.

There are no other comprehensive income or expenses other than the loss for the financial period. Accordingly, no statement of comprehensive income is given.

Contura Animal Health Holdings Limited

Balance sheet 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	6	1,325,571	1,325,571
		<u>1,325,571</u>	<u>1,325,571</u>
Current assets			
Debtors - due within one year	7	461,573	947,756
Cash at bank and in hand		100	100
		<u>461,673</u>	<u>947,856</u>
Creditors: amounts falling due within one year	8	(1,837,865)	(1,671,502)
Net current liabilities		<u>(1,376,192)</u>	<u>(723,646)</u>
Total assets less current liabilities		(50,621)	601,925
Creditors: amounts falling due after more than one year	9	-	(605,602)
Net liabilities		<u>(50,621)</u>	<u>(3,677)</u>
Capital and reserves			
Called up share capital	10	100	100
Profit and loss account		(50,721)	(3,777)
		<u>(50,621)</u>	<u>(3,677)</u>
Shareholders' deficit		<u>(50,621)</u>	<u>(3,677)</u>

The financial statements of Contura Animal Health Holdings Limited, registered number 11620148, were approved by the Board of Directors and authorised for issue on 9 September 2021.

For the financial year ending 31 December 2020, the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 ("the Act") relating to small companies.

The members have not required the Company to obtain an audit of its accounts for the period in question in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Signed on behalf of the Board of Directors



P.J. Banks
Director



R.C. Tailor
Director

Contura Animal Health Holdings Limited

Statement of changes in equity Year ended 31 December 2020

	Called up share capital £	Profit and loss account £	Total £
At 12 October 2018	-	-	-
Issue of share capital	100	-	100
Loss for the financial period	-	(3,777)	(3,777)
Total comprehensive income	-	(3,777)	(3,777)
At 31 December 2019	100	(3,777)	(3,677)
Loss for the financial year	-	(46,944)	(46,944)
Total comprehensive income	-	(46,944)	(46,944)
At 31 December 2020	100	(50,721)	(50,621)

Contura Animal Health Holdings Limited

Notes to the financial statements Year ended 31 December 2020

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the current year and the preceding period.

General information and basis of accounting

Contura Animal Health Holdings Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the directors' report on pages 2 to 3.

The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council as adapted by section 1A of FRS 102 and the Companies Act 2006.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The Company, as a parent company, does not prepare consolidated accounts as it is not required to do so.

The Company meets the definition of a small company and has therefore taken advantage of the disclosure exemptions available to it under section 477 of the Companies Act 2006.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

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.

(i) Financial assets and financial liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- (b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- (c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- (d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

Contura Animal Health Holdings Limited

Notes to the financial statements Year ended 31 December 2020

1. Accounting policies (continued)

Financial instruments (continued)

(i) *Financial assets and financial liabilities* (continued)

- (e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- (f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(ii) *Investments*

Investments in subsidiaries and associates are measured at cost less provision for impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

(iii) *Equity instruments*

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit and loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Non-financial assets (continued)

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Contura Animal Health Holdings Limited

Notes to the financial statements Year ended 31 December 2020

1. Accounting policies (continued)

Impairment of assets (continued)

Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Finance costs

Finance costs of debt are recognised in the profit and loss account over the term of such instruments.

Foreign currency translation

Foreign currency transactions are stated using the exchange rates prevailing at the dates of the transactions in question. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for management services provided in the normal course of business, net of value added tax and similar taxes and trade discounts.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided for at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Cash flow statement exemption

The Company has availed itself of the exemption contained in Section 1A of FRS 102 and as a result has elected not to prepare a cash flow statement.

Contura Animal Health Holdings Limited

Notes to the financial statements Year ended 31 December 2020

2. Other operating expenses

	2020	2019
	£	£
Management fees from related undertaking	248,663	179,560
Other operating expense	21,343	3,975
	<u>270,006</u>	<u>183,535</u>

3. Finance income, net

	2020	2019
	£	£
Finance (expense) income, net		
Interest receivable from subsidiary undertaking	65,226	105,107
Less: interest payable on loan from related undertaking	(90,827)	(104,909)
	<u>(25,601)</u>	<u>198</u>

4. Operating loss

Operating loss is stated after charging:

	2020	2019
	£	£
Foreign exchange loss	<u>21,343</u>	<u>3,975</u>

5. Directors' remuneration

The remuneration of the directors was as follows:

	2020	2019
	£	£
Emoluments	<u>-</u>	<u>-</u>

The above amounts for remuneration include the following in respect of the highest paid director:

	2020	2019
	£	£
Emoluments	<u>-</u>	<u>-</u>

Other than the directors noted above, there are no other key management personnel that require to be disclosed in the financial statements.

Contura Animal Health Holdings Limited

Notes to the financial statements Year ended 31 December 2020

6. Fixed asset investments

Subsidiary undertakings	Investments £
Cost	
At 12 October 2018	-
Additions	1,325,571
Net book value at 31 December 2019	1,325,571
Additions	-
Net book value at 31 December 2020	1,325,571

The Company has an investment in the following subsidiary undertaking.

Subsidiary undertaking	Country of incorporation	Registered office	Principal activity	Ownership of share capital
Contura Vet Limited	Ireland	Riverside One Sir John Rogerson's Quay, Dublin 2 Ireland	Veterinary Medical Device sales	100%

7. Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Amounts owed by subsidiary undertaking	-	750,000
VAT	-	11,875
Prepayments and accrued income	461,573	185,881
	461,573	947,756

Prepayments and accrued income include £438,672 (2019 - £179,559) of accrued management charges to the Company's subsidiary undertaking and accrued interest of £22,901 (2019 - £6,322) on the Company's loan to subsidiary undertaking.

Contura Animal Health Holdings Limited

Notes to the financial statements Year ended 31 December 2020

8. Creditors: amounts falling due within one year

	2020 £	2019 £
Loan from related undertaking	1,154,593	1,002,804
Other creditors	586,123	662,376
Accruals and deferred income	97,149	6,322
	<u>1,837,865</u>	<u>1,671,502</u>

The loan from related undertaking is advanced under the terms of a £1,200,000 facility agreement. The loan is repayable on demand and carries an interest rate of 9% above Bank of England Base Rate. The loan is secured by a charge over the Company's shares in Contura Vet Limited.

Other creditors in 2020 comprised the final instalment of amounts due to the vendors of Contura Vet Limited under the terms of a share purchase agreement entered into on 30 October 2018.

Accruals and deferred income comprise accrued interest due on loan from related undertaking.

9. Creditors: amounts falling due after more than one year

	2020 £	2019 £
Other creditors	-	605,602

Other creditors falling due after more than one year in 2019 comprised the final instalment of amounts due to the vendors of Contura Vet Limited (see note 8).

10. Called up share capital and reserves

	2020 £	2019 £
Called up, allotted and fully paid		
9,000 'A' shares of £0.01 each	90	90
1,000 'B' shares of £0.01 each	10	10
	<u>100</u>	<u>100</u>

Share Warrants

The Company has entered into a warrant instrument with one of its shareholders pursuant to which it has created and issued warrants to subscribe for 1,765 A shares in the capital of the Company. The main terms of the warrant instrument are as follows:

Contura Animal Health Holdings Limited

Notes to the financial statements Year ended 31 December 2020

10. Called up share capital and reserves (continued)

Share Warrants

- i. **Exercise Price** - £0.01 per A share, as adjusted on any subdivision, consolidation or reclassification of shares, any reduction of capital, issue of new shares by way of dividend or distribution, any issue of shares by way of capitalisation of profits or any consolidation, amalgamation or merger of the Company;
- ii. **Exercise periods** – A. First Exercise Period - from 30 October 2018 until the date that it is finally determined whether or not the EBITDA Target, as that term is defined in the Company's Articles of Association, has been met (the "Determination Date"). B. Second Exercise Period - Earlier of (a) an exit; and (b) the Determination Date. During the First Exercise Period the warrant holder may exercise up to two-thirds of their warrants. During the Second Exercise Period the warrant holder may only exercise up to two-thirds of their warrants, if not already exercised and may further exercise the remaining third in the event that the Company did not achieve its EBITDA Target during the First Exercise Period.
- iii. **Antidilution** – antidilution warrants will be issued to warrant holders in the event that the Company issues new equity securities at a price per share below £0.01.

The warrant holder has entered its First Exercise Period and as of 31 December 2020 the EBITDA Target has been met.

As of 31 December 2020 no warrants had been exercised.

Rights of shares

The A shares and B shares of the Company have equal voting rights, entitlements to dividends and entitlement to participate in a distribution of capital, including on a winding up of the Company.

11. Related party transactions

Guarantees

The Company has entered into a charge of shares agreement with Contura Limited pursuant to which its shares in Contura Vet Limited have been provided by way of security for a £1,200,000 loan facility agreement from Contura Limited. The loan facility was provided on an arm's length basis and was used to provide funds to Contura Vet Limited to facilitate the repayment of shareholder loans that had previously been advanced to Contura Vet Limited. The amount outstanding under the loan facility from Contura Limited to the Company at 31 December 2020 was £1,154,593 (2019 - £1,002,804) (see note 8).

Loan to related company

The Company has advanced a loan to its subsidiary undertaking, Contura Vet Limited. This loan is repayable on demand and attracts an interest rate of 9% over Bank of England Base Rate. An amount of £Nil (2019 - £750,000) remained outstanding under the loan at 31 December 2020 (see note 7). There was, in addition, an amount of £22,901 (2019 - £6,322) due in respect of accrued interest receivable at 31 December 2020 and included within prepayments and accrued income (see note 7).

Services agreement with related company

On 30 October 2018, the Company entered into a Services Agreement with Contura Limited, pursuant to which Contura Limited agreed to provide certain management services to the Company in connection with its management of its subsidiary undertaking, Contura Vet Limited. The services to be provided under the Services Agreement are provided at cost plus 10% and where appropriate are recharged to the Company's subsidiary undertaking. Amounts charged by Contura Limited in connection with the Services Agreement amounted to £248,663 (2019 - £179,560) (see note 2), all of which were recharged to the Company's subsidiary undertaking, as they related to services provided to that subsidiary undertaking.

12. Controlling party

The ultimate controlling party, through direct and indirect shareholdings was Ian Jacobson, a director of the Company.