

Registration number: 09928547

MEDICINES DISCOVERY CATAPULT LIMITED
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021



MEDICINES DISCOVERY CATAPULT LIMITED

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MEDICINES DISCOVERY CATAPULT LIMITED

COMPANY INFORMATION

Directors	R J Brown
	C J Dix
	C M Longson
	A F Markham
	C R Molloy
	C Reilly
	L Robb
	G J Clarke
	A J Macdonald
	S J Wallcraft
Registered office	Block 35G Mereside Alderley Park Alderley Edge Macclesfield Cheshire SK10 4ZF
Auditors	Hazlewoods LLP Staverton Court Staverton Cheltenham GL51 0UX

MEDICINES DISCOVERY CATAPULT LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

The directors present their strategic report for the year ended 31 March 2021.

Introduction

The Medicines Discovery Catapult (MDC) is a company limited by guarantee, established in December 2015 with a grant from Innovate UK. Its purpose is to address barriers to adoption of new tools and technologies in the Medicines Discovery Sector. It does this through the provision of expertise, equipment and collaborative R&D. International and UK industry, charities and academics are now using the MDC as a national centre for cross sector collaboration and access to relevant national infrastructure. The MDC addresses four key issues which aim to help reshape drug discovery so that patients get the medicines they need faster and make the UK an attractive environment for the growth of the sector as a whole:

- Proving and releasing tools and techniques to more predictably measure and replicate human disease for use in new drug testing;
- Proving and releasing more predictive computational techniques that accelerate and de-risk drug discovery projects and affect better scientific collaborations;
- Providing services that help collaborators access, navigate and use the complex market of service providers and national resources, including ethically sourced human tissues; and
- Pioneering new collaborative drug discovery models between research charities, academia. and industry.

Principal Activities

MDC's principal activity is to support large, medium and small pharmaceutical companies, contract research organisations and diagnostics businesses operating in the health care sector with their research and development (the "Established Business"). Since March 2020 MDC has also founded and operated a Lighthouse Laboratory providing high-capacity diagnostic testing services to the UK government as part of the nation's response to the COVID-19 pandemic ("Alderley Park Lighthouse Laboratory").

Alderley Park Lighthouse Laboratory - Business Review, Finance and Strategy Development

The Alderley Park Lighthouse Laboratory is a 700+ person strong, 24/7, standalone high-functioning diagnostics laboratory capable of processing up to 80,000 PCR tests per day that has been recommended by UKAS for ISO-accreditation (15189). During this financial year the Alderley Park Lighthouse Laboratory delivered over 10 million COVID19 infection tests and this work contributed the majority of the £44m increase in turnover of MDC in this financial year. It also contributed significantly to the services revenues of the Group that are usable to further the long term aims of the MDC. The Alderley Park Lighthouse Laboratory is currently contracted to the Department of Health and Social Care to provide testing services until the end of December 2021 ("Covid Testing Services Agreement"). Despite a 6-month period where existing MDC staff established the laboratory, the work of the MDC continued unaffected by this large addition to the Group's Established Business. On 8 July 2021 MDC announced its intention to seek a private sector buyer for the Alderley Park Lighthouse Laboratory who will continue to support its public sector testing role during the COVID-19 pandemic and transition the laboratory into a post-pandemic supplier of a portfolio of high value, mass diagnostics to both public and private sector customers. This progressive step will also establish an industrial legacy for this important asset, and will be key to retaining long term skills and jobs in this critical sector.

Finance - Established Business

In October 2018 MDC signed a 5-year Grant Funding Agreement with Innovate UK ("Grant Funding Agreement"). This secured £55M in core funding from April 2018 to March 2023, subject to annual agreed milestones and key performance indicators (KPIs). The allocation of this core funding was £11.1M in this financial year which provides long term support to MDC's core infrastructure. In addition, this year, MDC has secured £2.4M in non-core funding for specific medicines discovery projects from commercial and competitive grant sources - a continued increase on the prior year.

Business Review - Established Business

During this financial year MDC increased its project portfolio from 60 to over 80 active projects. Despite periods of disruption caused by pandemic 'lockdowns', it extended its existing medicines discovery service business to secure over £1.8M in commercial revenues. Its preclinical imaging and biomarker services have proven particularly attractive to the UK medicines discovery sector. Strategic R&D collaboration deals were also secured with national biotechnology companies, leading UK academic centres, and national funding agencies.

MDC remained successful in securing multi-year grant revenues in a highly competitive environment. These include an additional national Biomedical Catalyst award and, a £5M regional development award to construct a strategic scientific facility at its centre in Alderley Park, Cheshire focused on highly infectious diseases.

MEDICINES DISCOVERY CATAPULT LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

MDC has continued to drive of a number of drug discovery consortia including in areas of; psychiatry, cystic fibrosis, hearing health and diseases associated with ageing. These have attracted new funding partners from the national research funders, SME and charity sectors, as well as garnering interest from international impact investors. MDC's informatics assets have been introduced into a range of COVID and consortium related projects.

MDC had in place several Key Performance Indicators to track and monitor its engagement with industry and academia and that the projects being delivered are leveraging investment in research and progression through to commercialisation. MDC achieved all these KPI targets for the year.

Strategy Development - Established Business

MDC's 5-year strategy is subject to continual review by the executive management and the Board. The current strategy was recast into a new Output and Outcomes format and logic model, which was approved by the Board and accepted by Innovate UK for the purposes of the Grant Funding Agreement. This approach was used to construct a Grant Work Package (delivery plan) for 2021/22, containing KPIs and milestones, that was approved by the Board and Innovate UK in March 2021. This plan sets out how MDC aims to provide impact; grow and use its revenue streams and encourage more investment in R&D in the UK. It also establishes strategic reviews that will be performed during 2021/22 as a pre-cursor to the construction of a five-year plan to run from 2023-2028.

Stakeholder engagement

MDC engages regularly with its external and internal stakeholders. It continues to publish primary research on markets and areas of scientific specialty. It reflects the needs of UK biotech at governmental and regional level and has developed an authoritative influential voice. It has maintained this coverage throughout the pandemic amongst other methods through its 'MDC Connects' programme of virtual webinars and workshops. The national impact of MDC's pandemic response has provided it with significant profile and national stakeholder engagement across drug, diagnostics and NHS communities.

MDC's engagement with its over 800 staff (130 in its Established Business and 700+ in its Alderley Park Lighthouse Laboratory) remains critical to its stability and success. Staff surveys on remote working and the MDC's culture and values have been undertaken and acted upon. MDC's staffing is 56% female in its Established Business and 50% in its Alderley Park Lighthouse Laboratory. Staff turnover is ca 2%.

Governance and Policy Development

During the year, the Board was augmented by three new non-Executive Directors: Susan Wallcraft, Alistair Macdonald, and Graham Clarke. These directors bring significant subject matter and objective skills to the Board and have been effective in overseeing the activities of the MDC through its growth and pandemic response. Dr Clive Morris left the Board in January 2020 with appreciation from the Board for his service.

The Board maintains its skills and awareness by receiving relevant training in areas such as Data Protection and anti-Bribery and approval of policies such as Modern Slavery. Through a complex and challenging year, the Board has continued to assure itself of MDC's controls and effectiveness through the scrutiny and reports of its three subcommittees: Audit and Risk Management, Nomination and Remuneration and Projects.

Principal Risks and Uncertainties

MDC manages a portfolio of risks that represent both internal and external challenges to its activities. Risks are proactively identified, assessed and regularly reported to the executive management team, the Audit and Risk Management Committee and the Board with actions taken to mitigate the risk where practicable. The key risks going forward are:

Alderley Park Lighthouse Laboratory: The performance of this part of the business set up at pace for the national good, which is different from MDC's Established Business, and the impact of its size on the rest of the MDC remains a business risk, albeit significantly reduced from the prior year. This risk has been mitigated by the development of robust financial, Health & Safety, process and quality controls, that are integrated with those across the MDC. This risk will be eliminated if MDC is successful in securing the long term future of the Alderley Park Lighthouse Laboratory by selling it to a private sector buyer prior to the end of the current Covid Testing Services Agreement.

Covid 19 impact on the Established Business: Although MDC adapted well to the measures taken to contain the spread of the virus and there was limited impact on the Established Business in this financial year, the ongoing economic impact of those measures and uncertainty about the future may see reduced long term commercial revenues from private sector clients and a reduction in number or value of grants available.

Regional Development Award: During the year MDC received a £5M award to construct a strategic scientific facility at its centre in Alderley Park, Cheshire focused on highly infectious diseases. Whilst this significant project is currently running on time and to budget, there is a risk that non-delivery within the approved timescales and budget could result in clawback of grant and additional financial cost to MDC. The project is managed by a dedicated and experienced project team overseen by the Board and the Audit and Management Committee.

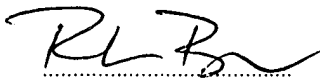
MEDICINES DISCOVERY CATAPULT LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

Meeting all KPI Targets: MDC has several key performance indicator targets in its contracts, including the Grant Funding Agreement and the Covid Testing Services Agreement which if not met could have financial and reputational consequences or lead to a change in contract terms. This risk is mitigated by careful monitoring and implementation of action plans to address any potential shortfalls. MDC met or exceeded all its KPI targets in the financial year ended 31 March 2021.

Long-Term funding for the Established Business: A reduction in Government funding or a change in Government policy remains an ongoing risk to MDC's core funding. This is mitigated by MDC continuing to deliver against the objectives for use of its core funding and enhancing its national reputation through the pandemic in an area of strategic national importance. National reports from the Department of Business, Energy and Industrial Strategy indicate that Catapults are a long-term part of the UK's innovation ecosystem and Her Majesty's Government has stated clearly that support for the Life Sciences industry remains a national priority.

Approved by the Board on 1/9/21 and signed on its behalf by:



R J Brown
Director

MEDICINES DISCOVERY CATAPULT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The directors present their report and the consolidated financial statements for the year ended 31 March 2021.

Directors of the company

The directors who held office during the year were as follows:

R J Brown

C J Dix

C M Longson

A F Markham

C R Molloy

C D Morris (resigned 28 January 2021)

C Reilly

L Robb

G J Clarke (appointed 1 April 2020)

A J Macdonald (appointed 1 April 2020)

S J Wallcraft (appointed 1 April 2020)

Results

The Catapult has received £11.92M of grant funding from Innovate UK in the year, of which £11.50M has been recognised as turnover in the profit and loss account. In addition to this, the Catapult received £43.7m for its role in delivering the DHSC lighthouse project.

Dividends

The Catapult is designed to re-invest any profit within the company to ensure maximum resources are utilised to support medicine research and innovation. As governed by the Memorandum of Association, no portion of the income of the Company shall be paid or transferred to any Members of the Company except where it is payment in good faith for remuneration for services rendered or repayment of out-of-pocket expenses to Directors.

Going concern

The directors have prepared forecast information which takes into account the current COVID-19 pandemic and its potential impact on the business. The forecasts indicate that the company will have sufficient cash reserves for all its future anticipated activities. On the basis of this information, the directors consider it appropriate to prepare the financial statements on a going concern basis.

Post balance sheet events

On 3 August 2021, the company received a dividend amounting to £8,371,262 from its subsidiary company.

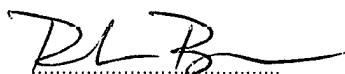
Disclosure of information to the auditor

Each director has taken the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditors

Hazlewoods LLP have expressed their willingness to continue in office.

Approved by the Board on 11/9/2021 and signed on its behalf by:



R J Brown
Director

MEDICINES DISCOVERY CATAPULT LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, 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 surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and 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; 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 group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MEDICINES DISCOVERY CATAPULT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEDICINES DISCOVERY CATAPULT LIMITED

Opinion

We have audited the financial statements of Medicines Discovery Catapult Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021, which comprise the Consolidated Profit and Loss Account, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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.

MEDICINES DISCOVERY CATAPULT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEDICINES DISCOVERY CATAPULT LIMITED

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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

In identifying and assessing risks of material misstatement in respect of fraud, including irregularities and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of the legal and regulatory frameworks applicable to the group and parent company financial statements or that had a fundamental effect on the operations of the group and parent company. We determined that the most significant laws and regulations included United Kingdom Generally Accepted Accounting Practice, UK Companies Act 2006 and taxation laws;
- We understood how the group and parent company is complying with those legal and regulatory frameworks by making enquiries of the management and those responsible for legal and compliance procedures.
- We assessed the susceptibility of the group's and the parent company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEDICINES DISCOVERY CATAPULT LIMITED

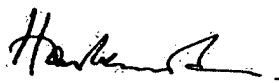
A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

- identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- challenging assumptions and judgements made by management in its significant accounting estimates; and
- identifying and testing journal entries, in particular any journal entries with unusual characteristics.

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

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.



Paul Fussell (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditor

Staverton Court
Staverton
Cheltenham
GL51 0UX

Date: 07/09/2021.....

MEDICINES DISCOVERY CATAPULT LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Turnover	3	57,152,449	12,602,316
Cost of sales		<u>(6,684,377)</u>	<u>(2,742,683)</u>
Gross surplus		50,468,072	9,859,633
Administrative expenses		(40,358,892)	(10,149,969)
Other operating income	4	<u>138,961</u>	<u>8,567</u>
Operating surplus/(deficit)	5	<u>10,248,141</u>	<u>(281,769)</u>
Surplus/(deficit) before tax		10,248,141	(281,769)
Taxation	8	<u>(2,008,369)</u>	<u>(41,033)</u>
Surplus/(deficit) for the financial year		<u><u>8,239,772</u></u>	<u><u>(322,802)</u></u>

The above results were derived from continuing operations.

The group has no other comprehensive income for the year.

The notes on pages 16 to 29 form an integral part of these financial statements.

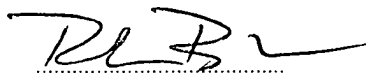
MEDICINES DISCOVERY CATAPULT LIMITED

(REGISTRATION NUMBER: 09928547)

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	9	6,823,614	7,560,769
Current assets			
Debtors	11	3,382,250	2,540,384
Cash at bank and in hand		<u>40,262,830</u>	<u>2,768,858</u>
		43,645,080	5,309,242
Creditors: Amounts falling due within one year	13	<u>(41,801,787)</u>	<u>(12,758,137)</u>
Net current assets/(liabilities)		<u>1,843,293</u>	<u>(7,448,895)</u>
Total assets less current liabilities		8,666,907	111,874
Provisions for liabilities	14, 8	<u>(765,556)</u>	<u>(450,295)</u>
Net assets/(liabilities)		<u>7,901,351</u>	<u>(338,421)</u>
Capital and reserves			
Profit and loss account	16	<u>7,901,351</u>	<u>(338,421)</u>
Total equity/ (deficit)		<u>7,901,351</u>	<u>(338,421)</u>

Approved and authorised by the Board on 1/9/21 and signed on its behalf by:



R J Brown
Director

The notes on pages 16 to 29 form an integral part of these financial statements.

MEDICINES DISCOVERY CATAPULT LIMITED

(REGISTRATION NUMBER: 09928547)
BALANCE SHEET AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	9	6,823,614	7,560,769
Investments	10	<u>1</u>	<u>1</u>
		<u>6,823,615</u>	<u>7,560,770</u>
Current assets			
Debtors	11	2,443,950	2,209,951
Cash at bank and in hand		<u>4,536,287</u>	<u>2,583,377</u>
		6,980,237	4,793,328
Creditors: Amounts falling due within one year	13	<u>(13,740,085)</u>	<u>(12,383,109)</u>
Net current liabilities		<u>(6,759,848)</u>	<u>(7,589,781)</u>
Total assets less current liabilities		63,767	(29,011)
Provisions for liabilities	14, 8	<u>(765,556)</u>	<u>(450,295)</u>
Net liabilities		<u>(701,789)</u>	<u>(479,306)</u>
Capital and reserves			
Profit and loss account		<u>(701,789)</u>	<u>(479,306)</u>
Total deficit		<u>(701,789)</u>	<u>(479,306)</u>

The company made a loss after tax for the financial year of £222,483 (2020 - loss of £456,453).

Approved and authorised by the Board on 11/9/21 and signed on its behalf by:



R J Brown
Director

MEDICINES DISCOVERY CATAPULT LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Profit and loss account £	Total £
At 1 April 2020	(338,421)	(338,421)
Surplus for the year	<u>8,239,772</u>	<u>8,239,772</u>
At 31 March 2021	<u>7,901,351</u>	<u>7,901,351</u>

	Profit and loss account £	Total £
At 1 April 2019	(15,619)	(15,619)
Deficit for the year	<u>(322,802)</u>	<u>(322,802)</u>
At 31 March 2020	<u>(338,421)</u>	<u>(338,421)</u>

The notes on pages 16 to 29 form an integral part of these financial statements.

MEDICINES DISCOVERY CATAPULT LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Profit and loss account £	Total £
At 1 April 2020	(479,306)	(479,306)
Deficit for the year	<u>(222,483)</u>	<u>(222,483)</u>
At 31 March 2021	<u><u>(701,789)</u></u>	<u><u>(701,789)</u></u>

	Profit and loss account £	Total £
At 1 April 2019	(22,853)	(22,853)
Deficit for the year	<u>(456,453)</u>	<u>(456,453)</u>
At 31 March 2020	<u><u>(479,306)</u></u>	<u><u>(479,306)</u></u>

The notes on pages 16 to 29 form an integral part of these financial statements.

MEDICINES DISCOVERY CATAPULT LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Surplus/(deficit) for the year		8,239,772	(322,802)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	2,358,748	1,844,946
Surplus on disposal of tangible assets		356	-
Income tax expense	8	2,008,369	41,033
Foreign exchange losses		236	-
		<u>12,607,481</u>	<u>1,563,177</u>
Working capital adjustments			
(Increase)/decrease in debtors	11	(831,415)	1,057,959
Increase in creditors	13	27,067,833	3,522,886
Increase in provisions	14	319,764	445,556
		<u>39,163,663</u>	<u>6,589,578</u>
Cash generated from operations			
Income taxes paid	8	<u>(47,742)</u>	<u>(27,759)</u>
Net cash flow from operating activities		39,115,921	6,561,819
Cash flows from investing activities			
Acquisitions of tangible assets		<u>(1,621,949)</u>	<u>(4,481,498)</u>
Net increase in cash and cash equivalents		37,493,972	2,080,321
Cash and cash equivalents at 1 April		<u>2,768,858</u>	<u>688,537</u>
Cash and cash equivalents at 31 March	12	<u><u>40,262,830</u></u>	<u><u>2,768,858</u></u>

The notes on pages 16 to 29 form an integral part of these financial statements.

MEDICINES DISCOVERY CATAPULT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1 General information

The company is a company limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

The address of its registered office is:
Block 35G Mereside Alderley Park
Alderley Edge
Macclesfield
Cheshire
SK10 4ZF

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

Summary of disclosure exemptions

Medicines Discovery Catapult Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its financial statements. Exemptions have been taken in relation to the preparation of statement of cash flows and financial instruments.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 March 2021.

No profit and loss account is presented for the company as permitted by section 408 of the Companies Act 2006.

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

MEDICINES DISCOVERY CATAPULT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

Going concern

The directors have prepared forecast information which takes into account the current COVID-19 pandemic and its potential impact on the business. The forecasts indicate that the company will remain within its existing facilities. On the basis of this information, the directors consider it appropriate to prepare the financial statements on a going concern basis.

Critical accounting 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 amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements

No significant judgements have been made by management in preparing these financial statements.

Key sources of estimation uncertainty

No key sources of estimation uncertainty have been identified by management in preparing these financial statements other than those detailed in these accounting policies.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the group's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity, and specific criteria have been met for each of the group's activities.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

MEDICINES DISCOVERY CATAPULT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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 group operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements and on unused tax losses or tax credits in the group. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and assets under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Short term leasehold improvements	Over the length of the lease break clause
Other property, plant and equipment	1 - 5 years straight line
Furniture, fittings and equipment	2 years straight line

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. All trade debtors are repayable within one year and hence are included at the undiscounted cost of cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the debtors.

Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Creditors are recognised initially at the transaction price and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

Provisions

Provisions are recognised when the group has an obligation at the reporting date as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

MEDICINES DISCOVERY CATAPULT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing 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.

Impairment

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 or loss as described below.

A non financial 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.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units; CGUs of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

MEDICINES DISCOVERY CATAPULT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

For financial assets carried at amortised cost, the amount of an 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.

3 Revenue

The analysis of the group's revenue for the year from continuing operations is as follows:

	2021 £	2020 £
Core funding from Innovate UK	11,499,803	11,155,299
Rendering of services	1,171,789	874,299
Collaborative research and development	728,427	572,718
DHSC passthrough revenue	26,612,436	-
DHSC commercial income	17,139,994	-
	<u>57,152,449</u>	<u>12,602,316</u>

The total turnover of the company has been derived from its principal activity wholly undertaken in the United Kingdom.

The core grant, of which £11,499,803 (2020 - £11,155,299) has been recognised in the year, has been provided to enable Medicines Discovery Catapult to operate as a technology and innovation centre, assisting with the development and dissemination of knowledge and technologies and building the industrial capability and capacity in its field of expertise.

Revenue arising from the DHSC contract in the year amounted to £43,752,430 (2020 - £nil) has been recognised in the year in relation to testing and delivery of the Lighthouse project regarding COVID-19. This included £26,612,436 (2020 - £nil) of passthrough revenue for reimbursement of expenses incurred.

Other revenue relates to Collaborative Research and Development.

4 Other operating income

The analysis of the group's other operating income for the year is as follows:

	2021 £	2020 £
Other income	<u>138,961</u>	<u>8,567</u>

Other income includes £137,338 (2020 - £nil) relating to above the line expenditure credits.

MEDICINES DISCOVERY CATAPULT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

5 Operating surplus

Arrived at after charging

	2021 £	2020 £
Depreciation expense	2,357,125	1,844,946
Foreign exchange losses	236	-
Operating lease expense - property	425,850	384,488
Loss on disposal of property, plant and equipment	356	-
Auditors remuneration	30,000	19,500

6 Staff costs

Group

The aggregate payroll costs (including directors' remuneration) were as follows:

	2021 £	2020 £
Wages and salaries	15,169,117	5,335,699
Social security costs	1,482,195	585,631
Pension costs, defined contribution scheme	879,132	453,120
	17,530,444	6,374,450

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2021 No.	2020 No.
Production	538	89
Directors	11	8
	549	97

Company

The aggregate payroll costs (including directors' remuneration) were as follows:

	2021 £	2020 £
Wages and salaries	15,169,117	5,036,520
Social security costs	1,482,195	545,535
Pension costs, defined contribution scheme	879,168	421,042
	17,530,480	6,003,097

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2021 No.	2020 No.
Production	538	89
Directors	11	8
	549	97

MEDICINES DISCOVERY CATAPULT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

7 Directors' remuneration group and company

The directors' remuneration for the year was as follows:

	2021 £	2020 £
Remuneration	460,277	413,368
Contributions paid to money purchase schemes	22,184	21,643
	<u>482,461</u>	<u>435,011</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2021 No.	2020 No.
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>1</u>

In respect of the highest paid director:

	2021 £	2020 £
Remuneration	305,277	275,476
Company contributions to money purchase pension schemes	<u>22,184</u>	<u>21,643</u>

8 Taxation

Tax charged/(credited) in the profit and loss account

	2021 £	2020 £
Current taxation		
UK corporation tax	2,001,944	32,716
UK corporation tax adjustment to prior periods	<u>21,615</u>	<u>2,020</u>
	2,023,559	34,736
Deferred taxation		
Arising from origination and reversal of timing differences	<u>(15,190)</u>	<u>6,297</u>
Tax expense in the income statement	<u>2,008,369</u>	<u>41,033</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2020 - higher than the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	2021 £	2020 £
Surplus/(deficit) before tax	<u>10,248,141</u>	<u>(281,769)</u>
Corporation tax at standard rate	1,947,147	(53,536)
Effect of expense not deductible in determining taxable profit (tax loss)	4,901	9,912
Deferred tax expense from unrecognised tax loss or credit	60,800	84,656
Increase in UK and foreign current tax from adjustment for prior periods	21,615	2,020
Tax decrease from effect of adjustment in research and development tax credit	<u>(26,094)</u>	<u>(2,019)</u>
Total tax charge	<u>2,008,369</u>	<u>41,033</u>

MEDICINES DISCOVERY CATAPULT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Deferred tax

Group

Deferred tax (assets)/ liabilities

2021

Fixed asset timing differences
Short term timing differences

Asset
£

3,027
(13,478)
(10,451)

2020

Fixed asset timing differences
Short term timing differences

Liability
£

4,739
-
4,739

Company

Deferred tax (assets)/ liabilities

2021

Fixed asset timing differences
Short term timing differences

Asset
£

3,027
(13,478)
(10,451)

2020

Fixed asset timing differences
Short term timing differences

Liability
£

4,739
-
4,739

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 7 September 2016). These included a reduction to the main rate to 17% from 1 April 2020, however this reduction in rate was reversed in the 2020 budget and remains at 19%. Deferred taxes at the balance sheet date have been measured using the enacted tax rates and reflected in these financial statements. Further changes to the UK corporation tax system were announced in the Budget on 3 March 2021. These include an increase in the main rate of corporation tax to 25% with effect from 1 April 2023. As the change to 25% had not been substantively enacted at the balance sheet date its effects are not included in these financial statements.

MEDICINES DISCOVERY CATAPULT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

9 Tangible assets

Group

	Short term leasehold improvements £	Furniture, fittings and equipment £	Other property, plant and equipment £	Total £
Cost				
At 1 April 2020	3,553,293	7,699,536	-	11,252,829
Additions	838,152	705,808	77,989	1,621,949
Disposals	-	(10,063)	-	(10,063)
At 31 March 2021	<u>4,391,445</u>	<u>8,395,281</u>	<u>77,989</u>	<u>12,864,715</u>
Depreciation				
At 1 April 2020	799,603	2,892,457	-	3,692,060
Charge for the year	684,758	1,673,990	-	2,358,748
Eliminated on disposal	-	(9,707)	-	(9,707)
At 31 March 2021	<u>1,484,361</u>	<u>4,556,740</u>	<u>-</u>	<u>6,041,101</u>
Carrying amount				
At 31 March 2021	<u>2,907,084</u>	<u>3,838,541</u>	<u>77,989</u>	<u>6,823,614</u>
At 31 March 2020	<u>2,753,690</u>	<u>4,807,079</u>	<u>-</u>	<u>7,560,769</u>

Other property, plant and equipment additions in the year relates to assets under construction. No depreciation has been charged on these assets during the year.

MEDICINES DISCOVERY CATAPULT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Company

	Short term leasehold improvements £	Furniture, fittings and equipment £	Other property, plant and equipment £	Total £
Cost				
At 1 April 2020	3,553,293	7,699,536	-	11,252,829
Additions	838,152	705,808	77,989	1,621,949
Disposals	-	(10,063)	-	(10,063)
At 31 March 2021	4,391,445	8,395,281	77,989	12,864,715
Depreciation				
At 1 April 2020	799,603	2,892,457	-	3,692,060
Charge for the year	684,758	1,673,990	-	2,358,748
Eliminated on disposal	-	(9,707)	-	(9,707)
At 31 March 2021	1,484,361	4,556,740	-	6,041,101
Carrying amount				
At 31 March 2021	2,907,084	3,838,541	77,989	6,823,614
At 31 March 2020	2,753,690	4,807,079	-	7,560,769

MEDICINES DISCOVERY CATAPULT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

10 Investments

Company

	2021	2020
	£	£
Investments in subsidiaries	<u>1</u>	<u>1</u>

Subsidiaries

£

Cost

At 1 April 2020 and 31 March 2021

1

Carrying amount

At 31 March 2021

1

At 31 March 2020

1

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2021	2020
Subsidiary undertakings				
Medicines Discovery Catapult Services Limited	Block 35g, Mereside Alderley Park, Alderley Edge, Macclesfield, Cheshire, SK10 4TG England	Ordinary	100%	100%

Subsidiary undertakings

Medicines Discovery Catapult Services Limited

The principal activity of Medicines Discovery Catapult Services Limited is research and experimental development on biotechnology.

MEDICINES DISCOVERY CATAPULT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

11 Debtors

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	232,869	213,444	-	-
Amounts owed by related parties	583,708	127,981	583,708	127,981
Other debtors	659,197	608,470	659,197	608,470
Prepayments	1,896,025	1,590,489	1,190,594	1,468,270
Deferred tax assets	10,451	-	10,451	-
Corporation tax asset	-	-	-	5,230
Total current trade and other debtors	<u>3,382,250</u>	<u>2,540,384</u>	<u>2,443,950</u>	<u>2,209,951</u>

12 Cash and cash equivalents

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Cash at bank	<u>40,262,830</u>	<u>2,768,858</u>	<u>4,536,287</u>	<u>2,583,377</u>

13 Creditors

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Due within one year				
Trade creditors	2,397,326	1,834,433	2,397,326	1,834,433
Amounts due to related parties	583,708	127,981	-	-
Social security and other taxes	2,877,118	177,293	1,664,507	158,929
Other creditors	7,238,503	229,779	231,325	229,779
Accrued expenses	1,693,434	280,594	282,633	275,594
Corporation tax liability	2,001,944	26,127	16,744	-
Deferred income	25,009,754	10,081,930	9,147,550	9,884,374
	<u>41,801,787</u>	<u>12,758,137</u>	<u>13,740,085</u>	<u>12,383,109</u>

14 Provisions

Group and Company	Provisions £
At 1 April 2020	450,295
Increase in existing provisions	<u>315,261</u>
At 31 March 2021	<u>765,556</u>

Included within provisions is an amount of £765,556 in respect of future anticipated dilapidation expenditure. This provision represents management's best estimate of costs accrued to date in respect of leasehold properties. It is expected that the dilapidation provision will become payable between 2026 and 2028.

MEDICINES DISCOVERY CATAPULT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

15 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £879,132 (2020 - £453,120).

Contributions totalling £111,055 (2020 - £nil) were payable to the scheme at the end of the year and are included in creditors.

16 Reserves

Profit and loss account

Represents cumulative profits of losses, net of dividends paid and other adjustments.

17 Obligations under leases and hire purchase contracts

Group and company

Operating leases

The total of future minimum lease payments is as follows:

	2021 £	2020 £
Not later than one year	450,918	416,849
Later than one year and not later than five years	1,789,920	1,789,920
Later than five years	961,120	1,011,640
	<u>3,201,958</u>	<u>3,218,409</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £425,850 (2020 - £384,488).

18 Commitments

Group and company

Capital commitments

At 31 March 2021, the Catapult had committed to purchase various items of laboratory and computer equipment. The total amount contracted for but not provided in the financial statements was £1,234,220 (2020 - £Nil).

19 Parent and ultimate parent undertaking

The company is controlled by the directors. The largest and smallest group of undertakings for which group accounts have been prepared is that headed by Medicines Discovery Catapult Limited, and may be obtained from the company's registered office, as detailed on page 1.

20 Related party transactions

Exploristics Limited

(A company in which C Molloy is also a director)

During the year, the company made sales to Exploristics Limited of £9,598 (2020 - £17,329) and at 31 March 2021 £3,199 (2020 - £3,199) was owed to the company in respect of these sales.

North West E-Health Limited

(A company in which C Molloy is also a director)

During the year, the company made sales to North West E-Health Limited of £11,995 (2020 - £8,330) and at 31 March 2020 £1,999 (2020 - £1,999) was owed to the company in respect of these sales.

MEDICINES DISCOVERY CATAPULT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

21 Company Status

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.