

Medicines Discovery Catapult Limited 2022/23

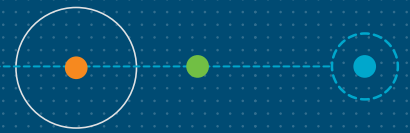
Annual Report and Consolidated Financial Statement
For the Year Ended 31 March 2023

Registration Number: 09928547



Reshaping
Discovery
Together

CATAPULT
Medicines Discovery



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Medicines Discovery Catapult

Supporting the UK Government's Life Sciences Vision to create a thriving drug discovery sector; enabling the Life Sciences to be one of the great drivers of growth for the UK economy critical to the health, wealth and resilience of the nation.

Independent, not-for-profit innovation centre for drug discovery – accelerating business growth, leading to improved outcomes for patients



Our Vision

Reshaping drug discovery for patient benefit



Our Purpose

Transforming great UK science into better treatments through partnership



Team of over 130 specialists, with cutting edge laboratory facilities



Highly skilled and engaged Executive team and Board, with an international reputation and experience, covering every area of life sciences. Supporting the UK Government's Life Sciences Vision to create a thriving drug discovery sector; enabling the Life Sciences to be one of the great drivers of growth for the UK economy critical to the health, wealth and resilience of the nation.

Based in Alderley Park, Cheshire



Directors

- R J Brown
- C J Dix (resigned 26 January 2023)
- C M Longson
- A F Markham
- C R Molloy
- C Reilly
- L Robb
- G J Clarke
- A J Macdonald
- S J Wallcraft
- P V E Beastall (appointed 3 November 2022)

Company Secretary
R Sherville-Payne (appointed 3 November 2022)

Registered Office

Block 35G
Mereside
Alderley Park
Alderley Edge
Cheshire SK10 4ZF

Auditors

Hazlewoods LLP
Staverton Court
Staverton
Cheltenham GL51 0UX

Section 1

Chief Executive Officer's Statement

Medicines Discovery Catapult (MDC) is in a strong position.

Over its first five-year grant cycle it has delivered above its ambitious goals and carved a nationally valued position across industry, academia, medical research charities and government.

It begins its next cycle with momentum, revenues for reinvestment and a realisable goal to double its sector impact.



Professor Chris Molloy
Chief Executive Officer
Medicines Discovery Catapult

MDC ends the financial year 2022/23 having either met or exceeded our 5-year grant funding targets, transforming great UK science for the sector into better treatments through partnership and supporting a strategic industry sector. It has done this by developing pioneering, impactful Research and Development ('R&D') coalitions across biotech, academia, technology companies, charities, and global pharma. MDC's core funding allows it to pioneer new technologies and take on the challenges that the commercial sector cannot. It deploys these technologies with highly skilled employees into collaborative programmes that de-risk new medicines, industrialise emerging R&D technologies, and de-risk early-stage companies, helping them reach investors and commercial success. It manages a dynamic portfolio of over 50 programmes which deliver national, regional, and local impact right across the UK.

In this financial year MDC successfully completed its programme and impact deliverables and prepared the company for its next phase. It did so using tapered grant income, from the end of the first funding cycle, increasing its commercial income 44.5%.

It completed over 60 partnered projects with UK companies and completed its pivotal milestones for its national industry-guided R&D coalitions in psychiatry and ageing.

MDC helps to translate the best of UK science into the best new treatments for the benefit of patients around the world.

MDC managed
20m
PCR TESTS



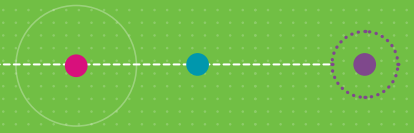
for the public sector during the COVID-19 pandemic through the Alderley Park Lighthouse Lab.

These have spawned further collaborative programmes which will be realised over the coming years. It also began work on new national technology programmes in imaging and complex medicines.

MDC has refreshed its Executive team and its strategic plan. This realisable ambition for sector impact and sustainability is financially augmented by the reserves generated by its management of the Alderley Park Lighthouse Lab, which provided over 20 million PCR tests for the public sector during the COVID-19 pandemic.

Over the next five years, MDC will be doing what today's sector community is now asking of it. Firstly, to **enable** it, with MDC's established technologies in imaging, disease modelling, informatics, and national coalitions. Secondly, to **enhance** it, by using its biomarker technologies in support of early phase clinical development – a critical value-driver and route to investment for biotech. Thirdly, to help **expand** the sector, using its commercial skills, network, and resources to help high-risk assets safely reach the wider biotech investment community.

MDC remains focussed on its purpose to transform great UK science into better treatments through partnership: a team approach that helps to translate the best of UK science into the best new treatments for the benefit of patients around the world and a thriving biotech sector at home.

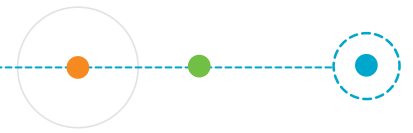


Section 2

Strategic Report and Directors' Statements



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Section 2

Strategic Report

Introduction

Medicines Discovery Catapult's (MDC) vision is to **reshape drug discovery for patient benefit**, delivering against our purpose, **transforming great UK science into better treatments through partnership**.



MDC has established a unique and vital presence within the UK medicines discovery community, working in collaboration with the sector, from SME therapeutic developers, technology innovators and large pharma and biotech companies, to academics and charities.

It provides access to advanced, otherwise inaccessible, capabilities and expertise to enable innovators to progress potential therapies through preclinical research into early-phase clinical trials. MDC has extensive networks across all aspects of the complex life-sciences sector, creating a valuable and scarce connectivity advantage for collaborators.



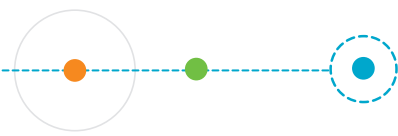
“MDC provides innovators with access to the right skills, at the right time, enabling them to progress their drug discovery programmes and make game-changing breakthroughs, for patient benefit.”

Dr Martin Main
Chief Scientific Officer



“MDC empowers UK medicine and technology innovators by derisking their assets, enabling them to generate quality data, connect within the sector, secure follow-on investment, increase value, and create jobs.”

Volker Hirsch
Chief Commercial Officer



During its first five years, MDC has developed and scaled rapidly, becoming a key pillar of the UK R&D landscape. MDC's first core grant has already leveraged over £600m in private sector investment funding into SMEs, delivered over £67m in grant income, and partnered on over 230 R&D projects.

It has supported over 200 companies across the UK and contributed key data to support at least four new drug candidates into the clinic, and three technology products onto the market. MDC has also led a national pandemic programme and has become a

cornerstone of a revived community of drug R&D companies in the North-West region, supporting business growth throughout the UK. Then to expand it, by helping companies secure early-stage funding for high risk, innovative approaches.

MDC'S FIRST CORE GRANT

Leveraged over

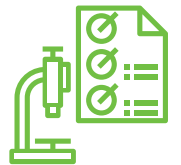
£600m 

in private sector investment funding into SMEs

Partnered on over

230

R&D projects



Delivered over

£67m

in grant income



Supported over

200

companies across the UK



Contributed key data to support at least four new drug candidates into the clinic, and three technology products onto the market.



Business Review

MDC continues to focus its resources on its core purpose of reshaping drug R&D by transforming great UK science into better treatments through partnership. This includes the industrialisation of technologies that will help discover new medicines in the UK, as well as sector collaborations, which will serve the UK's Life Science strategy and the UK Science and Technology Framework, to realise the UK's ambition to become a Science and Technology Superpower by 2030.



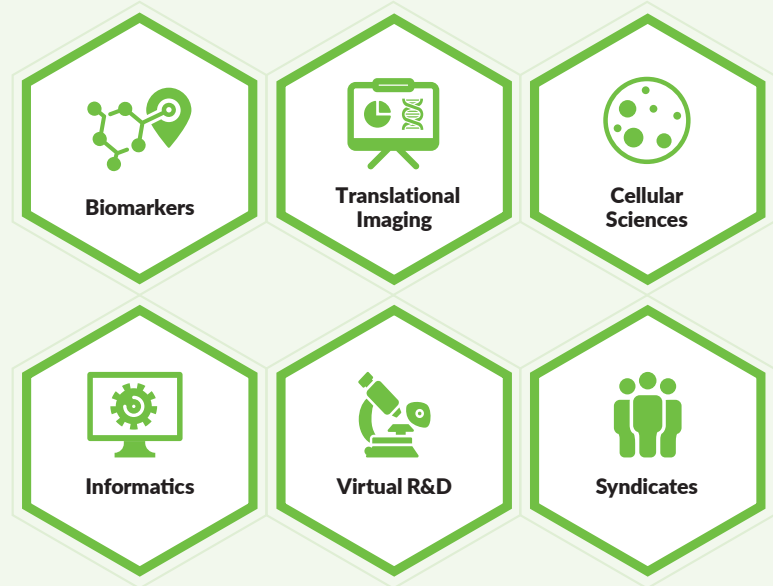
“MDC ends the financial year 2022/23 having met its 5-year grant funding targets. It has delivered an ambitious programme and made its impact on this vital internationally competitive sector. It has continued to evolve to ensure a focus on the needs of the sector now and is catalysing future innovation in areas of patient need that are not being addressed.”

Dr Nicola Heron
Chief Strategy Officer

MDC ends the financial year in a strong position through the creation of reserves to reinvest in our scientific ambitions, generated from the part our people played supporting the national response to COVID-19. This supports the financial sustainability of MDC and provides it with an ability to extend its impact, further supporting the UK sector.

During this financial year, MDC has maintained a similar portfolio size year-on-year: **completing 158 projects, 66 of which were initiated within the year**

MDC supported the sector with its six core capabilities, essential to the success of drug discovery:



Highlights from this year include:

- Extension of the proven ‘multi-omic’ biomarker capability to the clinical setting - delivering its first experimental medicine project data package for a Clinical Trial Phase 2 stage SME. MDC is further building to support this area, by incorporating Good Clinical Laboratory Practice process controls.
- The validation of *in vitro* neuroscience, immune biology and cardiac models, and the application of advanced drug target engagement methods.
- Providing a new support for SMEs and start-ups through thematic accelerator programmes.
- Sourcing, extracting, and elucidating key data to address drug discovery challenges using Artificial Intelligence, Natural Language Processing, and machine learning.

In summary, the industrialisation and intelligent deployment of this extensive suite of technology and expertise drives MDC's unique impact on the sector.



MDC has helped the sector nationwide, including increasing opportunities for achievement for companies outside the traditional centres in the South-East. It has catalysed the creation of the next generation of skilled technical and biotech leadership for a growing community, supported by MDC. These initiatives, requested by the sector and foreseen in its long-term (2016) plan, have been supported by independent community research and align with the national innovation strategies (UK Science and Technology Framework 2023, HMG Life Sciences Vision 2021, I-UK Building the Future Economy, HMG Levelling Up 2021).

As demonstrated during the COVID-19 pandemic, a key strength of MDC is the ability to respond quickly to areas of need, with its ability to deploy its comprehensive capabilities to address national and global challenges in medicines discovery. MDC is able to lead the identification and implementation of strategic national R&D programmes, creating enabling environments that support innovators to address high-risk future patient, technology, and sector needs.

This year, the Intracellular Drug Delivery Centre, in partnership with CPI (High Value Manufacturing Catapult), University of Liverpool, University of Strathclyde and Imperial College has been established, with initial focus on novel lipid nanoparticle (LNP) formulations.

MDC delivers unique programmes that bring together the sector and help our innovators move forward with greater speed and confidence to address unmet patient needs. MDC is actively connecting people with lived experience to the R&D community, to drive the development of innovations that are needed the most.

Through its Syndicate team approach, MDC is already realising this ambition to bring new treatments to patients faster

Psychiatry Consortium

The Psychiatry Consortium, managed by MDC, is a strategic collaboration of leading medical research charities and eight pharmaceutical companies focusing on the challenge of identifying and validating novel drug targets to address the unmet therapeutic needs of people living with mental health conditions. It has continued to drive innovative approaches to collaboration, extending its reach, having completed its eighth funding call this year. This has culminated in the Consortium raising £1.3m in research funding committed to projects, engaged with over 400 research institutions, delivered over ten webinars and three workshops, most recently to assess and develop novel targets into tractable target validation projects.

£1.3m 

Raised in research funding committed to projects

Engaged with over **400**  research institutions



This impactful contribution to the sector was recognised at the BioNow Awards, in March 2023, where the team won the 'Partnership and Collaboration' Award. The accolade recognised the international collaborative efforts to drive innovative research and provide unique opportunities for academic researchers to collaborate with industry experts, turning scientific ideas into drug discovery projects.

MDC's Motor Neurone Disease/ Amyotrophic Lateral Sclerosis (ALS) Academic Research Partnership has completed with a high impact publication *Guiding Principles for ALS Drug Discovery and Development* expected in 2023.

CF AMR Syndicate

The CF AMR Syndicate, with partners LifeArc and The CF Trust, has entered into a two year strategic alliance. The newly extended scope includes a £3m accelerator programme for therapeutics and diagnostics and the development of Diagnostic TPP guidance for the community. The CF AMR Syndicate continues to support innovators through the provision of samples from the UK CF Infection Biorepository and Therapeutic TPP guidance, it has expanded its membership to over 100 network members and is supporting the incubation of three early-stage SMEs developing CF therapeutics.

The newly extended scope includes a

£3m 

accelerator programme for therapeutics and diagnostics and the development of Diagnostic TPP guidance for the community.



"The CF AMR Syndicate works very closely with the CF community to truly understand the needs and priorities of people with CF. Their insights are at the centre of everything we do and help form our research agenda. Together, we will accelerate the development of new, urgently needed antimicrobials and infection diagnostics."

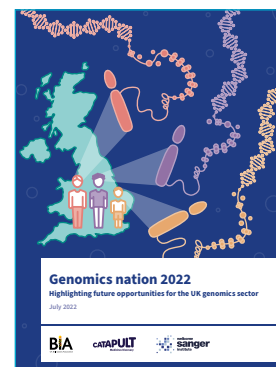
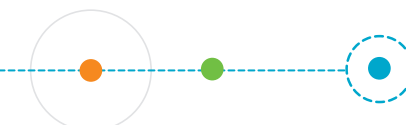
Dr Paula Sommer
Head of Research,
Cystic Fibrosis Trust



The UK SPINE initiative - the UK's first drug discovery and knowledge exchange network focused on geroscience – which aims to close the gap between health span and lifespan by accelerating medicines discovery, completed in 2022. An impactful year for the project where new lead generation project opportunities, potential chemical equity and biomarkers were identified. MDC also hosted the UK SPINE annual conference, attended by experts from across the sector, and participated in Longevity week, shining a spotlight on the challenges and opportunities for this key area.

The pandemic and rising deaths attributable to multi-drug resistant bacteria and fungi have brought renewed attention to the threat posed by infectious diseases, and the urgent need for new targeted medicines and diagnostics. There is a need to boost the global pipeline of de-risked precision antimicrobials and diagnostics for patient and societal benefit and to enable sustained growth of the UK Life Sciences Sector.

MDC's vision is to create and sustain a highly collaborative network of industry, academia, charity, and government to identify barriers to innovation and drive new collaborative R&D, industrialising novel platforms, enabling tools and ways of working



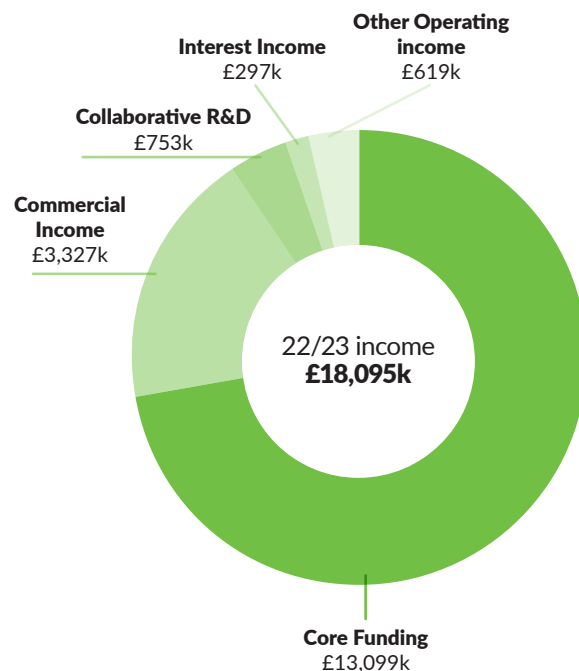
In addition to driving national initiatives, MDC continues to drive the national conversation, harnessing its expertise to produce an ongoing range of effective thought leadership initiatives to provide critical commentary and guidance for the sector. MDC again partnered with the UK BioIndustry Association and the Wellcome Sanger Institute to produce Genomics Nation 2022, a report that highlights the strengths and opportunities of this vibrant UK ecosystem of entrepreneurs, spinouts, and scale-ups.

UK SPINE - Accelerating drug discovery to improve healthspan



Financial Review

Financial Highlights Continuing Operations	2022/23	2021/22	%
	£000's	£000's	
Core funding	13,099	13,509	-3.0%
Commercial income	3,327	2,302	44.5%
Collaborative R&D	753	2,035	-63.0%
Other operating income	619	384	61.0%
Interest receivable	297	-	-
Total Income	18,095	18,231	-0.7%
Net Assets	41,458	42,293	-2.0%
Cash position	41,979	31,008	35.4%



Over the financial year MDC significantly improved its financial position through a strengthening of the cash position and increasing commercial revenue streams. The 22/23 financial year has seen the successful conclusion of our first Grant Funding Agreement and the beginning of our second Grant Funding Agreement.



“This second cycle of core funding and improved reserves position supports our ability to deliver on our vision to reshape drug discovery for patient benefit, with even greater impact.”

Sinéad McCormack
Chief Financial Officer

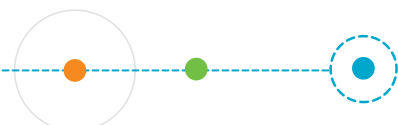
Total income in the year for continuing operations (excludes income recognised in Alderley Park Lighthouse Laboratory before it was dissolved in March 2023) (£18,095k) decreased by 1% (from £18,231k). This was driven from a planned reduction in Innovate UK income (22/23 £13,099k, 21/22 £13,509), which is typical over a five-year funding cycle, as initial set up costs including capital income reduce. This reduction was offset by strong performance in our commercial fee for service business which has seen a 44.5% increase from £2,302k in 21/22 to £3,327k in 22/23.

MDC benefited from £343k in total interest income earned on the cash reserves realised through the Alderley Park Lighthouse Laboratory. This money will be invested across a range of treasury and internal programmes to maximise future returns for reinvestment in our core purpose: transforming great UK science through partnership, for patient benefit, to ensure that our science can thrive and for the benefit of our sector.

Collaborative R&D work decreased year on year from £2,035k in 21/22 to £753k in 22/23 due to the completion of two one-off projects delivered in 21/22. Underlying collaborative R&D work is in line with previous years.

Other operating income from continuing operations is our research and development expenditure credit which recognises our levels of investment in R&D. In 22/23 we recognised the 21/22 credit of £323k plus an accrual of £296k for 22/23.





Expenditure

Total expenditure in the year for continuing operations were £18,445k (21/22 £18,400k). However, there were notable movements across employee costs, laboratory costs and facilities.

Employee costs increased in our continuing operations year on year by £834k from £8,486k in 21/22 to £9,320k in 22/23. This reflects the delivery levels required to deliver against our project portfolio in the year. Over the latter half of 22/23 we added to our expert team, and we enter 23/24 with a growing employee base to support increased delivery levels expected over the coming 12 months.

The increase in employee costs were offset primarily by a decrease in consumables expenditure of £522k due to a one off Collaborative R&D project.

Net Assets

The Group Net Assets at the year-end were £41,458k (21/22 £42,293k). The primary driver for the Net Asset position is a cash balance at year end of £41,979k (21/22 £31,008k).

Financial Outlook

MDC has carried out extensive five-year planning, stress tested by potential scenarios to provide assurance of the business model resilience. Financial sustainability is a key element of our strategy and commitment to our sector to ensure we can continue to deliver innovation in drug discovery.

Over the coming five years MDC will invest in our own science so we can continue to diversify and grow our income streams. This aims to deliver a strong cycle of reinvestment that will support the ongoing growth and success of our UK offer, and its positive impact on the drug discovery sector.

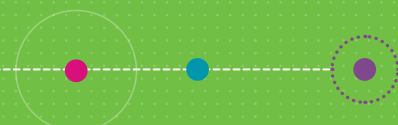
Principal Risks and Uncertainties

MDC operates a robust risk framework that seeks to mitigate risk to acceptable levels. The broader environment continues to introduce uncertainty in relation to access to funding and cost pressures along with the risk of being unable to realise appropriate levels of returns.



Financial sustainability is a key element of our strategy and commitment to our sector to ensure we can continue to deliver innovation in drug discovery

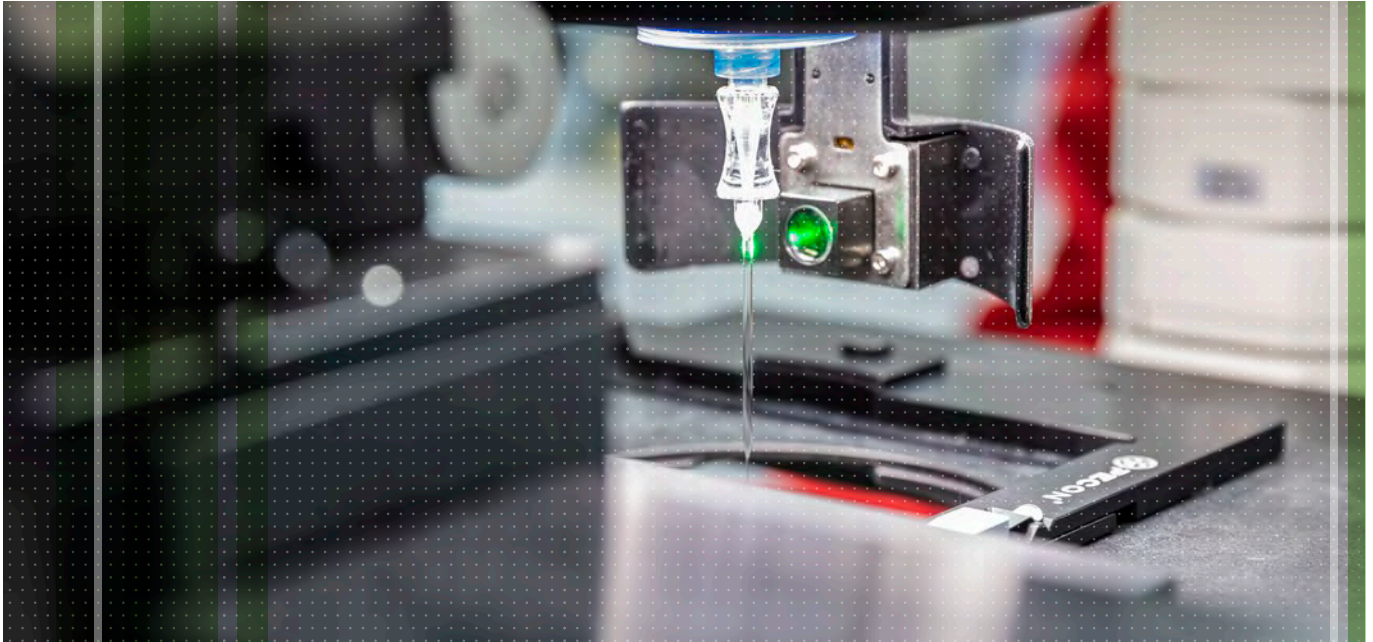




Risk	Mitigation
<p>Long-term funding Innovate UK</p> <ul style="list-style-type: none"> • A reduction in government funding or change in policy continues to be a risk to MDC. This would have a significant impact on our ability to continue to support innovation in the sector • Failure to deliver against KPIs agreed under the Grant Funding Agreement 	<ul style="list-style-type: none"> • Ongoing monitoring of delivery against Key Performance Indicators (KPI's) • Continuing support from central government and recognition of the importance of Catapults as part of the long-term UK innovation ecosystem • A reserves strategy which allows us to maintain an appropriate level of cash to provide MDC with a short-term buffer against external changes in our funding
<p>Employee attrition and loss of knowledge: Our people are the very foundation of our organisation, and their knowledge, drive and enthusiasm are key to the delivery against our objectives.</p> <p>Failure to be able to attract and retain suitably qualified and motivated employees and Directors would impact our ability to deliver our strategy.</p>	<ul style="list-style-type: none"> • MDC values of Innovation, Excellence, Integrity, and Community are key to creating a culture that allows people to thrive • A new Executive team in place with the appointment of a newly created General Counsel role, Chief Finance Officer and Chief Commercial Officer to support the delivery of our vision • Continuing to review our employee offering to ensure our people are being fairly recognised for their input into our success • Improved recruitment processes to ensure we are attracting talent • Introducing capacity planning to ensure we have capacity to deliver against strategy
<p>Reduction in collaborative R&D grant and commercial income: MDC is reliant on a diversified portfolio of revenue streams to ensure we can deliver our ambitions. Reductions in accessible, suitably funded research and commercial contracts would impact our ability to deliver our strategy.</p>	<ul style="list-style-type: none"> • Co-operation with key grant bodies to ensure we are in a position to access a variety of funding sources to progress innovation • An attractive commercial proposition which provides access to cutting-edge technology and science with an ethos of collaboration and delivery excellence • A reserves strategy which allows us to maintain an appropriate level of cash to provide MDC with a short-term buffer against externally led changes in our revenue • Diversification of income streams to include licensing income from Intellectual Property (IP) assets
<p>Inflation: Whilst inflation is predicted to reduce over the coming 12 months the last period has introduced a significant increase in our operating costs.</p>	<ul style="list-style-type: none"> • We are implementing a broader environmental, social and governance review across the organisation which will seek to identify areas where our consumption of energy can be reduced, which will support both our ambition to minimise our impact on the environment and a need to minimise costs, so we continue to be competitive for our customers • Continually reviewing our cost base and ensuring that we have value for money at the heart of our decision making and a strong business case ethos.
<p>Subsidy: The replacement of the EU State Aid rules with the UK Subsidy Act 2022 has introduced some practical additional hurdles in terms of ensuring that we manage and maintain effective compliance processes and controls and can continue to comply with our funding obligations and accountabilities.</p>	<ul style="list-style-type: none"> • Implementing clear guidance, tools, and training to ensure employees are aware of the obligations under the new legislation • All public sourced funding is tracked and will only be used with a clear alignment to our duties under the Act • Targeted applied external legal advice as needed to ensure we establish robust and compliant ways of working
<p>Investment Risk: The MDC group has seen increased levels of cash reserves over the past 12 months which will now be invested to ensure that we are achieving returns for reinvestment in our people and our science, aligned to our core purpose as a catapult. If we do not achieve the required investment performance over the next 10 years, we may not be able to invest in our own assets as extensively as planned.</p>	<ul style="list-style-type: none"> • Introduction of an Investment Committee to oversee key investments using our reserves • Development of a Treasury policy to support effective investment of reserves to serve the needs of the organisation • Appointment of a treasury partner to support our investment strategy • Regular monitoring of the investment portfolio

Section 2

Governance and Management



Principal Activities and Purpose

MDC is a not-for-profit company limited by guarantee, established in December 2015, with a grant from Innovate UK. Its principal activity is to transform the UK's capability for innovation in drug discovery, by supporting the drug discovery community - including large, medium, and small biotech companies - operating in the life sciences with their innovative research and development. MDC does this by identifying the barriers facing UK life-science businesses and developing strategic interventions to address these challenges.

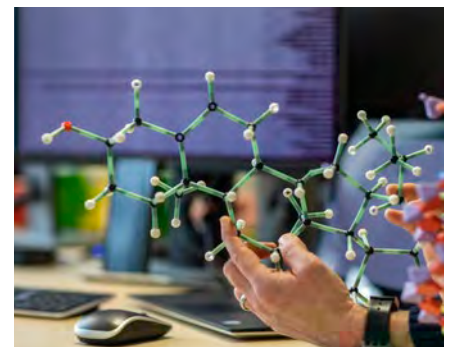
Until 31 March 2022, MDC also operated the Alderley Park Lighthouse Laboratory providing high-capacity diagnostic testing services to the UK government as part of the nation's response to the COVID-19 pandemic. In line with UK Health Security Agency (HSA) confirming the end of the Government COVID-19 PCR testing service, MDC began demobilisation with effect from 31 March 2022.

The subsidiary company, Medicines Discovery Catapult Services Ltd within which the Lighthouse Laboratory was managed was liquidated on 13 March 2023.

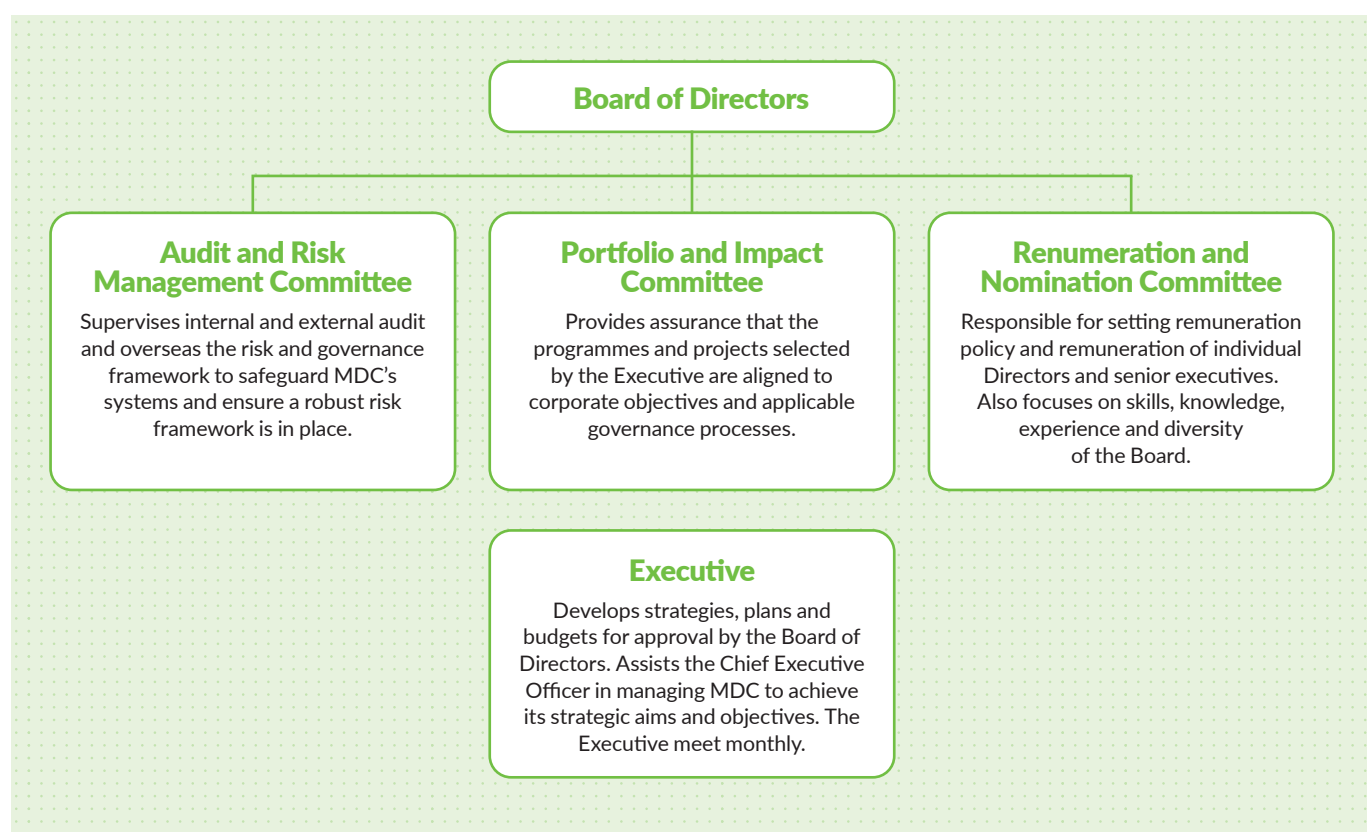
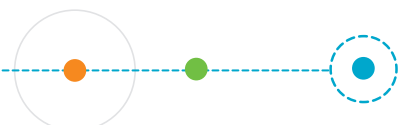
Statement of Corporate Governance

MDC's governance structure ensures that it can achieve its strategic ambitions in a transparent, sustainable and risk assessed way. In accordance with the MDC Delegation of Authority Policy, the Board is required to carry out an annual evaluation of its own performance, and the performance of any sub-committees, the Chairman and individual Directors.

The senior governing body for MDC is its Board of Directors and to aid in delivery of its duties, the Board has established three core Board sub-Committees: the Audit and Risk Management Committee, the Portfolio and Impact Committee and the Remuneration and Nominations Committee. All Board Committees meet at least 4 times per year.



MDC is a not-for-profit company



The Board of Directors

The Board of Directors has overall responsibility for ensuring that MDC fulfils its mission and strategy and complies with its incorporation documentation, the IUK Grant Funding Agreement and all relevant legislation and regulations. It also expressly determines those matters to be reserved for direct Board oversight, and those which are delegated to management and the level of management at which key decisions can be made. As at 31 March 2023, the Board of Directors comprised one Executive Director, the Non-Executive Chairman and 8 independent Non-Executive Directors, further specified below.

This year MDC's Board was further complemented by the addition of Paul Beastall, as the nominated Director for Innovate UK. Paul brings with him extensive experience in supporting R&D and strategy development. Dr Clive Dix, who was a founding Board member, stepped down from the Board during the year. Dr Dix's experience in the pharmaceuticals industry has been invaluable in developing MDC over the past 5 years and MDC expresses its sincere thanks to Dr Dix for his expertise and significant contribution during this time.



Dr Robin Brown

Appointed: July 2018

Role: Chairman of the Board

Skills: Robin has over 30 years of Life Sciences delivery and investment experience across a number of senior roles, including Chief Scientific Officer and Chief Executive Officer. Robin lead KWS through a significant growth phase culminating in KWS's acquisition by Charles River Laboratories. Robin is the Chairman of Nexus Bioquest, a specialist immunology CRO and a member of the UCL technology fund which is dedicated to investing in intellectual property commercialisation opportunities arising from UCL's world-class research base.



Professor Chris Molloy

Appointed: November 2016

Role: Chief Executive Officer

Skills: Chris has a 30-year international board and executive career in the life sciences. After 14 years at GSK, he became Chief Operating Officer at MerLion Pharmaceuticals, an award-winning Singaporean anti-infectives biotech. Chris ran corporate development for the global informatics firm IDBS and was CEO of the executive search firm RSA Group. Chris is the Chairman of Exploristics and NorthWest EHealth and a Trustee of the Institute of Cancer Research.



Professor Carole Longson MBE

Appointed: June 2016

Role: Deputy Chair of the Board and a member of both Audit and Risk Management Committee and Portfolio and Impact Committee

Skills: Highly respected life science leader in life science policy, health technology assessment and market access with high status international recognition, a first-class reputation and with considerable achievements in research, academic, public, and private sector organisations. Carole is an honorary professor with the University of Manchester supporting initiatives including Health Innovation Manchester, Manchester Biomedical Research Centre and EPSRC Wearable Clinic Research Programme.



Professor Sir Alex Markham

Appointed: June 2016

Role: Member of Portfolio and Impact Committee

Skills: Alex has over 30 years of experience at the forefront of biomedical research. His contributions include supporting the formation of CRUK in 2008. Recognition for Alex's contributions to biomedical research include the Queen's Award for Technological Achievement and a Knighthood for services to medicine. Along with his contributions to MRC and Wellcome Trust Strategic Advisory Committees, Alex contributes to numerous European and global oncology initiatives including chair the International Group that established the German Consortium for Translational Cancer Research.



Alistair Macdonald

Appointed: April 2020

Role: Chair of Portfolio and Impact Committee

Skills: Experienced senior executive with strong delivery orientation. Alistair has held Chief Executive Officer roles in both Syneos Health and INC Research and brings with him a breadth of operational delivery and sales performance experience. Alistair is currently an Operating Partner with GHO Capital Partners LLP, and holds non-executive director roles at Klick, SEQENS Pharmaceutical Solutions and Validant where he is the Chairman.



Professor Chris Reilly

Appointed: June 2016

Role: Chair of Remuneration and Nomination Committee

Skills: Combines Board Director and Senior Executive experience with investment and medicines discovery expertise. Chris is a Director with CFR Life Sciences, NorthWest EHealth, the Pennine Acute Hospitals NHS Trust and Salford Royal Foundation NHS Trust as well as a Professor at King's College London and an Expert Review for A*Star Singapore.



Graham Clarke

Appointed: April 2020

Role: Member of Audit and Risk Management Committee and Remuneration and Nomination Committee

Skills: Graham has 12 years of experience as CEO of ImmBio Ltd and immunology biotech in Cambridge and overseen ImmBio building a portfolio of development programmes, securing both private venture capital and grants and establishing a number of partnerships with UK universities and in joint ventures. He holds a number of non-executive roles including the Department of Health and Social Care ("DHSC"), the NHS Health Research Authority ("HRA") and Herts Urgent Care where he is Chairman.



Lynne Robb

Appointed: January 2019

Role: Chair of Audit and Risk Management Committee

Skills: A former CFO, Lynne's experience includes supporting the merger of the Cancer Research Campaign and Imperial Cancer Research Fund to form CRUK where she was the CFO for 11 years. During that time Lynne overseen the creation of the Francis Crick Institute and was instrumental in the development of the Paterson Institute hosted in the Christie in Manchester. She is a Trustee of Prostate Cancer UK where she is the Treasurer and a Trustee of LifeArc and a member of their Audit and Risk Committee.



Paul Beastall

Appointed: November 2022

Role: Member of Portfolio and Impact Committee and Nomination Committee

Skills: Paul is the nominated Director for Innovate UK on the Board. He is an engineer who has spent his career working at the interface between technical innovation and successful business, working with organisations from multinational corporations to venture-funded start-ups. Paul worked with Cambridge Consultants for over 7 years and hold non-executive roles with HutanBio and Evonetix where he holds the role of Chair.



Susan Wallcraft

Appointed: April 2020

Role: Member of Audit and Risk Management Committee

Skills: Sue is an experienced general counsel and company secretary with over 25 years' experience in the pharmaceutical industry. She is currently general counsel and company secretary for Vernalis (R&D) Limited and previously held the same role at the Wellcome Trust. She is a Trustee for LifeArc where she is a member of the Audit and Risk Committee.

Committee Membership

Member	Audit and Risk Management Committee	Portfolio and Impact Committee	Remuneration and Nomination Committee
Dr Robin Brown (Chair)			✓
Professor Carole Longson MBE (Deputy Chair)	✓	✓	
Professor Sir Alex Markham		✓	
Alistair Macdonald		✓ (Committee Chair)	
Professor Chris Reilly			✓ (Committee Chair)
Graham Clarke	✓		✓
Lynne Robb	✓ (Committee Chair)		
Paul Beastall		✓	✓
Susan Wallcraft	✓		

Executive Team

The Executive team, which includes the Chief Executive Office ('CEO'), is responsible for the day-to-day management of MDC, in accordance with the duties delegated by the Board under the MDC Delegation of Authority Policy. It develops the strategy, financial and operational plans for the MDC group, as overseen by the Board.

As of the date of signing, the Executive team is comprised of the following members:

Member	Role
Professor Chris Molloy	Chief Executive Officer
Robert Sherville-Payne	General Counsel and Company Secretary
Clare Atherton	Chief People Officer
Sinéad McCormack	Chief Financial Officer
Volker Hirsch	Chief Commercial Officer
Dr Nicola Heron	Chief Strategy Officer
Dr Martin Main	Chief Scientific Officer

S172 Statement – Directors' Statement of Compliance with Duty to Promote the Success of the Group

The Directors are committed to maximising the impact we have on the Life Sciences sector particularly driving through innovation in drug discovery. It is recognised that to do this it needs to work in collaboration with funders, customers, stakeholders, and employees. Their decisions consistently put long-term sustainability of MDC's impact financial security and scientific quality as a priority.

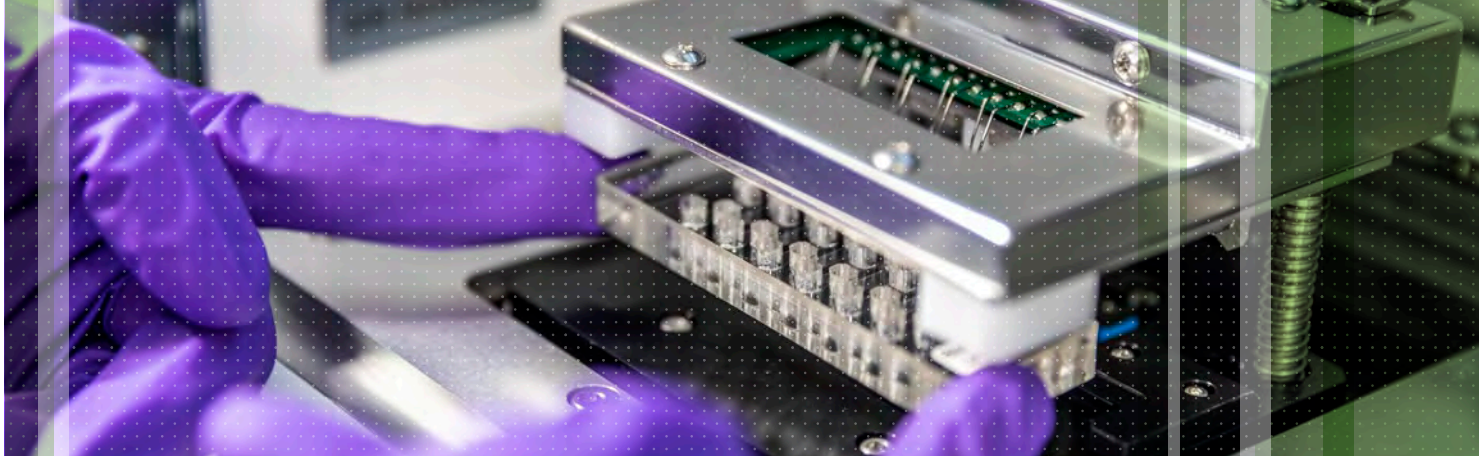
Directors act in accordance with a set of general duties which are detailed in section 172(1) of the Companies Act 2006. These include a duty to act in a way they consider, in good faith, would be most likely to promote the success of the group for the benefit of the stakeholders as a whole and, in doing so, have had regard to and recognise the importance of considering all stakeholders and other matters as set out in section 172 of the act in its decision making.

MDC is a company limited by guarantee and therefore does not have shareholders.

Prioritising our Future

Decisions are made with MDC's long-term future in mind. To do this the Directors rely on five-year strategic planning, which focuses on investment needs and potential returns. Our decision making is anchored in our strategy, which continues to be to overcome sector barriers, and to make money move in the sector to bring new and innovative treatments to patients. MDC's Directors recognise that our sustainability is not only assured through revenue streams and considered spending, but also through its business conduct.

MDC is committed to ensuring that its practices are fair and equitable to ensure that it can build long and successful partnerships with its stakeholders



Working in Partnership with our Customers and Funders

MDC's customers and funders, primarily Innovate UK, are key for the future of the business, providing the financial framework that aids business growth and stability. The very foundation of all of its relationships is partnership, and it actively engages with funders and customers to co-create and develop shared success. The Directors recognise their obligations under the Grant Funding Agreement and are committed to ensuring that these are adhered to and that controls are in place to ensure the accuracy of its reporting. In addition, the Directors regularly attend funder and other Government meetings to share updates.

Suppliers

MDC is committed to ensuring that our suppliers are paid promptly within agreed payment terms and are making progress in procuring locally where possible to reduce our impact on the environment. We continue to review our suppliers to ensure they offer not only value for money, but also align to our Environment Social and Governance (ES&G) principles.



“MDC's people are key to the delivery of impact, and it is therefore important to create an inclusive environment where our people can thrive, are listened to and feel valued for who they are.”

Clare Atherton
Chief People Officer

Employee Engagement

Through delivery of a Board approved people plan, MDC aims to be an employer of choice, attracting and developing great talent. It will support the sector through developing talent and skills for today and future medicines discovery. It will create interesting career opportunities internally that provide its people with development opportunities to grow their careers.

MDC creates meaningful connections with our business purpose, strategy, and values, generating pride in the work we do through the impact stories we share via our communications channels.

MDC is committed to equality of opportunity. It has formalised its long-held commitment to Equality Diversity and Inclusion (ED&I) through the Catapult ED&I charter. The charter describes our commitment to achieve our Vision - 'Reshaping drug discovery for patient benefit'. MDC ensures that ED&I is embedded in its culture and throughout its policies and procedures.

Employment of disabled persons: Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of an employee becoming disabled, every effort is made to ensure that their employment within MDC continues and that the appropriate training is arranged. It is the policy of MDC that the training, career development and promotion of disabled persons should, as far as is possible, be identical to that of other employees.

Through effective communications MDC provides focus to its people and thought leadership to its stakeholders. Trust through leadership visibility and consistency of message is central to the approach, as is providing two-way opportunities for employees to feel that their opinion is heard and valued.

Regular formal communications are in place including:

- Monthly All Hands meetings led by the CEO and Executive team
- Newsletters for all employees to communicate key messages and news

Employee network groups have been further developed with the creation of our Employee Forum, the purpose of which is to provide a platform for our employee voices to be heard, as we further develop and shape our future strategic priorities and people initiatives.



MDC creates meaningful connections with our business purpose, strategy, and values

Impact on Community and Environment

A key strength of the UK life sciences sector is the richness and diversity of the sector, across industry, clinical trials, charity, regulatory, academia and investors. MDC recognises that for innovators to benefit from this richness, the complexity of the sector must be overcome. MDC engages regularly with its external and internal stakeholders; it is central to MDC's ability to deliver its purpose of transforming great UK science into better treatments through partnership.

MDC has developed an approach working across the entire sector, using extensive knowledge of the R&D landscape, creating valuable collaborations, and catalysing new connections across the ecosystem. A diverse and extensive engagement strategy is in place, encompassing; media outreach, thought leader reports, hosting round table events and attendance at key scientific events.

“

“MDC is committed to acting responsibly, sustainably and with integrity across all of the activities we undertake; supporting our teams, enhancing the sector and engaging with our community.”

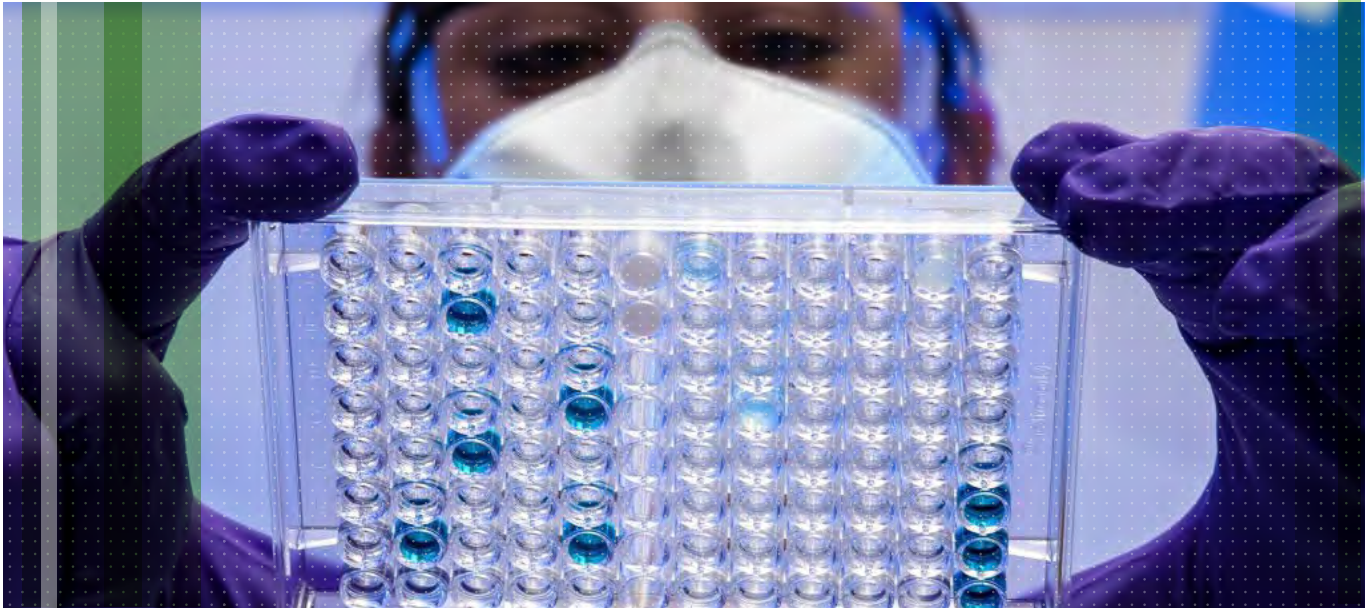
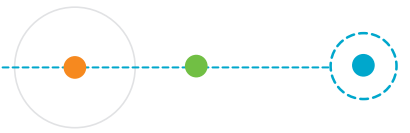
Robert Sherville-Payne
General Counsel and Company Secretary

MDC continues to publish scientific research in key peer reviewed publications, showcasing the expertise of its people, and primary research on markets and areas of scientific specialty. It reflects the needs of UK biotech and has developed an authoritative influential voice. In the last year, MDC has released 21 news releases, and has published 12 thought leader articles. MDC colleagues have delivered over 97 engagement opportunities via exhibitions, scientific poster presentations, in addition to being asked to join expert panels, chair events, and lead speaker slots at key scientific conferences, alongside being recognised by their industry peers through various Awards.

In November 2022, Professor Chris Molloy was awarded a Special Recognition Award by Oxford Bioscience Network (OBN), for his advocacy of life science innovators, supporting the needs of early-stage R&D companies across the life sciences industry for over 30 years. This was followed in March 2023, with the Psychiatry Consortium winning the 'Partnership and Collaboration' Award at the BioNow Awards. The Consortium was recognised for its international collaborative efforts to drive innovative research and provide unique opportunities for academic researchers to collaborate with industry experts, turning scientific ideas into drug discovery projects.

MDC recognises the importance of engaging with the local community. Our expert team delivered a school engagement programme, between MDC and the Local Enterprise Partnership (LEP). Through this work, MDC and the Cheshire and Warrington LEP support regional skills development and encourage the next generation to consider a future in science, in the North West's thriving life science sector. So far, over 120 pupils aged 14-18 have heard from scientists about their roles at MDC, what it is like to work in medicines discovery, and the skills required to be scientist. A virtual video lesson was also developed and shared with schools nationally, as part of British Science Week.





“The Cheshire and Warrington Pledge is all about putting employers at the heart of inspiring the next generation of young people. Life Science is a large sector within our local economy. We are pleased to have supported Medicines Discovery Catapult to inspire the young people in our schools by talking about the great careers available locally.”

Trevor Langston
Pledge Lead at the Cheshire and Warrington LEP

Through an ES&G working group, sponsored by the Executive team and representative of all areas of the business, MDC is reviewing its activity, determining clear focus areas and settings goals for future measurement. This is intended to enable it to:

- Mitigate its environmental effect, through greener laboratory practices, carbon reporting and reduced energy practices
- Build on its social impact through support to local community projects, representation in the workplace and schools outreach activities, to raise the profile of locally based careers in science
- Through improved internal governance and controls, enable better information flow and decision making
- MDC continues to work to better make efficient use of its spaces and energy, build a secure and environmentally conscious supplier network and stimulate the levelling-up agenda to promote effective delivery.

MDC recognises the importance of engaging with the local community

Approved by the Board on 27/09/2023

and signed on its behalf by:

Dr R.J. Brown, Chairman

Directors' Report

The Directors present their report and the consolidated financial statements for the year ended 31 March 2023.

Directors of the Company

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

R J Brown
C J Dix (resigned 26 January 2023)
C M Longson
A F Markham
C R Molloy
C Reilly
L Robb
G J Clarke
A J Macdonald
S J Wallcraft
P V E Beastall (appointed 3 November 2022)

Company Secretary
R Sherville-Payne
(appointed 3 November 2022)

Matters Covered in the Strategic Report

Information on the engagement with contractors, suppliers, customers and others is included in the Strategic Report in the s172(1) statement. The Group's business environment and risks, together with details of monitoring undertaken by the Directors and future developments are dealt with elsewhere in the Strategic Report.

Dividends

Medicines Discovery Catapult (MDC) 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.

Employment of Disabled Persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Group continues and that the appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Going Concern

The forecasts indicate that the Group 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.

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.

Approved by the Board on 27/09/2023

and signed on its behalf by:



Dr R J. Brown, Chairman

Section 2

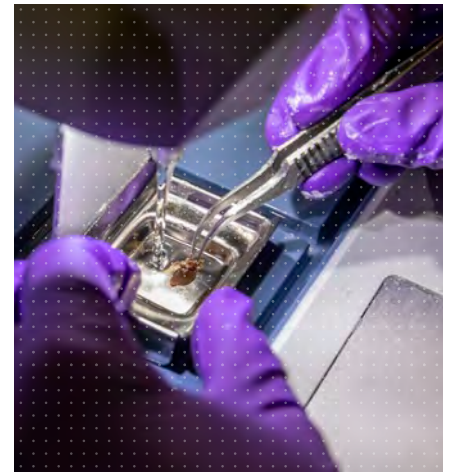
Statement of Directors' Responsibilities

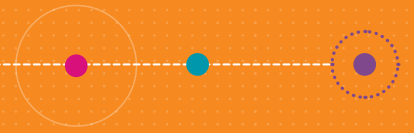
The Directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

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 group and company and of the surplus or deficit of the group 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 group and 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.





Section 3

Independent Auditor's Report



Section 3

Independent Auditor's Report

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 2023, 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 Section 1A '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 2023 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 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 Directors' 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.

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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The has 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 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.

Section 3

Independent Auditor's 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 set out on page, 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.

Extent to Which the Audit was Capable of Detecting Irregularities, Including Fraud

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

We considered the nature of the group's and company's industry and their control environment and reviewed the group's and company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the group and company operates in and identified the key laws and regulations that had a direct effect on the determination of material amounts and

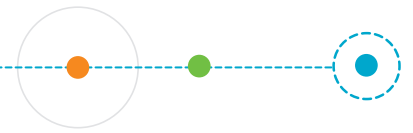
disclosures in the financial statements, including the UK Companies Act and tax legislation, and, those that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's and company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgments made in accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- Reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatements due to fraud;
- Enquiring of management concerning actual and potential litigation and claims and instances of non-compliance with laws and regulations; and
- Reading minutes of meetings of those charged with governance.



Section 3

Independent Auditor's Report

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

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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.

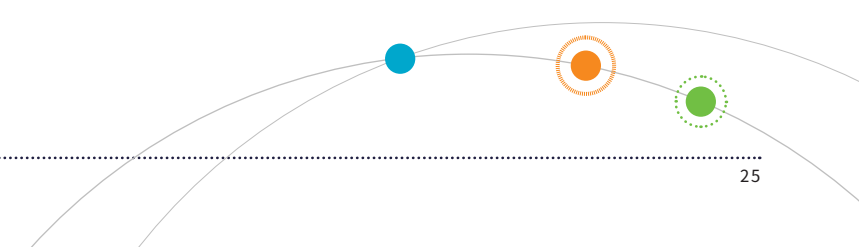
Use of our Report

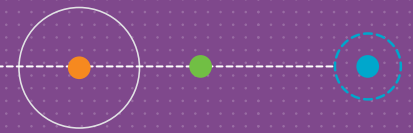
This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other 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





Section 4

The Financial Statements for the Year Ended 31 March 2023



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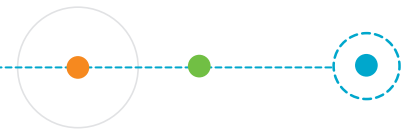
Section 4

The Financial Statements for the Year Ended 31 March 2023

Consolidated Profit and Loss Account for the Year Ended 31 March 2023

		Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
		2023	2023	2023	2022	2022	2022
	Note	£	£	£	£	£	£
Turnover	3	17,178,932	11,621	17,190,553	17,846,307	107,850,622	125,696,929
Cost of sales		(4,318,464)	139,697	(4,178,767)	(5,393,943)	(31,307,845)	(36,701,788)
Gross surplus		12,860,468	151,318	13,011,786	12,452,364	76,542,777	88,995,141
Administrative expenses		(14,127,013)	(853,111)	(14,980,124)	(13,006,136)	(33,627,871)	(46,634,007)
Other operating income	4	618,778	66,902	685,680	384,449	104,900	489,349
Operating (deficit)/surplus	5	(647,768)	(634,891)	(1,282,658)	(169,323)	43,019,806	42,850,483
Interest receivable and similar income	7	297,150	46,161	343,311	-	-	-
Interest payable and similar expenses	8	(372)	(13,140)	(13,511)	(877)	(35,283)	(36,160)
(Deficit)/surplus before tax		(350,990)	(601,869)	(952,859)	(170,200)	42,984,523	42,814,323
Tax on (deficit)/surplus	11	(44,760)	162,782	118,021	(176,501)	(8,246,253)	(8,422,754)
(Deficit)/surplus for the year		(395,750)	(439,088)	(834,837)	(346,701)	34,738,270	34,391,569

The notes on pages 32 to 47 form an integral part of these financial statements.



Section 4

The Financial Statements for the Year Ended 31 March 2023

Consolidated Balance Sheet as at 31 March 2023

	Note	2023	2022
		£	£
Fixed assets			
Tangible assets	12	4,295,382	7,362,348
Investments	13	-	-
		4,295,382	7,362,348
Current assets			
Debtors	14	3,535,767	44,867,852
Cash at bank and in hand	15	41,978,937	31,007,982
		45,514,705	75,875,834
Creditors: Amounts falling due within one year	16	(7,342,125)	(39,721,758)
Net current assets		38,172,579	36,154,076
Total assets less current liabilities		42,467,961	43,516,424
Provisions for liabilities	17	(1,009,878)	(1,223,504)
Net assets		41,458,083	42,292,920
Capital and reserves			
Profit and loss account	19	41,458,083	42,292,920
Total equity		41,458,083	42,292,920

The notes on pages 32 to 47 form an integral part of these financial statements.

Approved by the Board on 27/09/2023

and signed on its behalf by:

Dr R J. Brown, Chairman

Section 4

The Financial Statements for the Year Ended 31 March 2023

Balance Sheet as at 31 March 2023

	Note	2023	2022
		£	£
Fixed assets			
Tangible assets	12	4,295,382	5,599,493
Investments	13	1	2
		4,295,383	5,599,495
Current assets			
Debtors	14	3,662,750	3,530,422
Cash at bank and in hand	15	40,222,959	9,441,730
		43,885,709	12,972,152
Creditors: Amounts falling due within one year	16	(6,659,804)	(10,497,304)
Net current assets		37,225,905	2,474,848
Total assets less current liabilities		41,521,288	8,074,343
Provisions for liabilities	17	(1,023,170)	(992,223)
Net assets		40,498,118	7,082,120
Capital and reserves			
Profit and loss account	19	40,498,118	7,082,120
Total equity		40,498,118	7,082,120

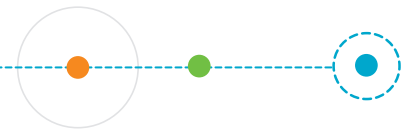
The notes on pages 32 to 47 form an integral part of these financial statements.

Approved by the Board on 27/09/2023

and signed on its behalf by:



Dr R.J. Brown, Chairman



Section 4

The Financial Statements for the Year Ended 31 March 2023

Consolidated Statement of Changes in Equity for the Year Ended 31 March 2023

	Profit and Loss Account	Total
	£	£
At 1 April 2022	42,292,920	42,292,920
(Deficit) for the year	(834,837)	(834,837)
At 31 March 2023	41,458,083	41,458,083
At 1 April 2021	7,901,351	7,901,351
Surplus for the year	34,391,569	34,391,569
At 31 March 2022	42,292,920	42,292,920

Statement of Changes in Equity for the Year Ended 31 March 2023

	Profit and Loss Account	Total
	£	£
At 1 April 2022	7,082,120	7,082,120
Surplus for the year	33,415,998	33,415,998
At 31 March 2023	40,498,118	40,498,118
At 1 April 2021	(701,789)	(701,789)
Surplus for the year	7,783,909	7,783,909
At 31 March 2022	7,082,120	7,082,120

The notes on pages 32 to 47 form an integral part of these financial statements.

Section 4

The Financial Statements for the Year Ended 31 March 2023

Consolidated Statement of Cash Flows for the Year Ended 31 March 2023

	Note	2023	2022
		£	£
Cash flows from operating activities			
(Deficit)/Surplus for the year		(834,837)	34,391,569
Adjustments to cashflows from non-cash items			
Depreciation and amortisation	5	2,332,903	3,412,040
Impairment of fixed assets		-	1,395,070
Surplus on disposal of tangible assets		1,874,910	758,732
Interest received	7	(269,728)	-
Interest paid		13,511	36,160
Tax expense	11	(118,021)	8,422,754
Foreign exchange losses		-	85
		2,998,738	48,416,410
Working capital adjustments			
Decrease/(increase) in debtors		41,648,807	(42,079,761)
Decrease in creditors		(30,929,412)	(946,098)
Increase in provisions		30,947	226,667
Cash generated from operations		13,749,080	5,617,218
Taxes paid		(1,893,495)	(8,732,745)
Net cash flow from operating activities		11,855,585	(3,115,527)
Cashflows from investing activities			
Acquisitions of tangible assets		(1,140,847)	(6,103,161)
Interest received		269,728	-
Net cash flows from investing activities		(871,119)	(6,103,161)
Cashflows from financing activities			
Interest paid		(13,511)	(36,160)
Net increase/(decrease) in cash and cash equivalents		10,970,955	(9,254,848)
Cash and cash equivalents at 1 April	15	31,007,982	40,262,830
Cash and cash equivalents at 31 March	15	41,978,937	31,007,982

The notes on pages 32 to 47 form an integral part of these financial statements.

The Financial Statements for the Year Ended 31 March 2023

Notes to the Financial Statements for the Year Ended 31 March 2023

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 separate financial statements. Exemption has been taken in relation to the preparation of a statement of cash flows.

Basis of Consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 March 2023. 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.

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. Noncontrolling 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

After reviewing the group's forecasts and projections, the Directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future with the continued funding from Innovate UK. Innovate UK have provided a letter to support that the funding levels will remain consistent with historic funding levels for at least 12 months from the date of signing the accounts. The group therefore continues to adopt the going concern basis in preparing its financial statements.



Section 4

The Financial Statements for the Year Ended 31 March 2023

Notes to the Financial Statements for the Year Ended 31 March 2023

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the group'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.

Dilapidations Provisions

Determining the value of the dilapidations provisions included in the balance sheet requires estimation of future costs for restoring the premises to their original condition. These estimates are specific to each facility and based on experience.

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 group.

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.

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.

Section 4

The Financial Statements for the Year Ended 31 March 2023

Notes to the Financial Statements for the Year Ended 31 March 2023

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
Furniture, fittings and equipment	1 - 5 years straight line

Investments

Investments in equity shares, relating to subsidiaries, 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 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.

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.

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.

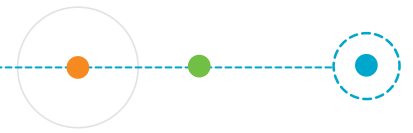
Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

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.



Section 4

The Financial Statements for the Year Ended 31 March 2023

Notes to the Financial Statements for the Year Ended 31 March 2023

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.

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.

Section 4

The Financial Statements for the Year Ended 31 March 2023

3. Revenue

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

	2023	2022
	£	£
Core funding from Innovate UK	13,099,219	13,509,186
Rendering of services	3,325,096	2,301,656
Collaborative research and development	752,926	2,035,465
Government COVID-19 commercial contracts	-	84,924,021
Government COVID-19 pass through contract	-	13,273,062
Other commercial	13,312	9,653,539
	17,190,553	125,696,929

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

4. Other Operating Income

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

	2023	2022
	£	£
Other income	685,680	489,349

Section 4

The Financial Statements for the Year Ended 31 March 2023

5. Operating Surplus

Arrived at after charging

	2023	2022
	£	£
Depreciation expense	2,332,903	3,412,040
Foreign exchange losses	2,648	85
Operating lease expense - property	620,218	913,733
Loss on disposal of property, plant and equipment	554,576	758,732
Impairment of fixed assets	-	1,395,070
Auditors remuneration	37,750	40,000
Tax remuneration	7,250	7,000
Other non audit services	-	62,000

6. Discontinued Operations

Due to the end of the government COVID-19 testing service effective on 31 March 2022, the primary income source for Medicines Discovery Catapult Services Limited, a subsidiary of the group ceased. As a result, Medicines Discovery Catapult Services Limited discontinued operations and commenced a period of demobilisation during the financial year, with the

subsidiary entering liquidation on the 13 March 2023. During the year, revenue totalling £11,621 (2022 - £107,850,622) and loss before tax of £601,869 (2022 - profit £42,984,523) contributed to the Group's results. Included in other debtors is also an amount due to the parent company Medicines Discovery Catapult Limited of £152,040 equal to the remaining net assets.

7. Interest Receivable and Similar Income

	2023	2022
	£	£
Bank interest	342,415	-
Other interest	896	-
	343,311	-

8. Interest Payable and Similar Expenses

	2023	2022
	£	£
Bank interest	13,511	-
Interest on corporation tax	-	36,160
	13,511	36,160

Section 4

The Financial Statements for the Year Ended 31 March 2023

9. Staff Costs

Group

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

	2023	2022
	£	£
Wages and salaries	8,605,412	27,734,500
Social security costs	933,936	2,458,745
Pension costs, defined contribution scheme	781,958	1,915,377
	10,321,306	32,108,622

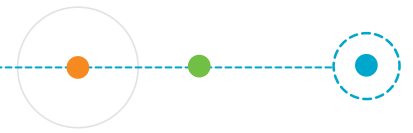
The average number of persons employed by the group (including Directors) during the year, analysed by category was as follows:

	2023	2022
	No.	No.
Other staff	135	875
Directors	10	11
	145	886

Company

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

	2023	2022
	£	£
Wages and salaries	7,742,513	14,167,049
Social security costs	850,442	1,457,704
Pension costs, defined contribution scheme	726,685	1,025,649
	9,319,640	16,650,402



Section 4

The Financial Statements for the Year Ended 31 March 2023

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

	2023	2022
	No.	No.
Other staff	124	433
Directors	10	11
	134	444

10. Directors' Remuneration

The Directors remuneration for the year was as follows:

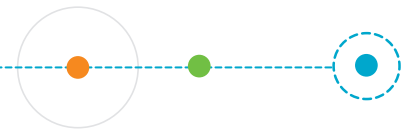
	2023	2022
	£	£
Remuneration	429,263	487,677
Contributions paid to money purchase schemes	23,039	22,738
	452,302	510,415

During the year the number of Directors who were receiving benefits was as follows:

	2023	2022
	No.	No.
Accruing benefits under money purchase pension scheme	1	1

In respect of the highest paid Director.

	2023	2022
	£	£
Remuneration	281,340	280,014
Contributions paid to money purchase schemes	23,039	22,738



Section 4

The Financial Statements for the Year Ended 31 March 2023

11. Taxation

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

	2023	2022
	£	£
Current taxation		
UK corporation tax	101,424	8,081,533
UK corporation tax adjustment to prior periods	25,128	99,489
	126,552	8,181,022
Deferred taxation		
Arising from origination and reversal of timing differences	(322,650)	243,275
Arising from changes in tax rates and laws	616	(2,879)
Deferred tax adjustment to prior periods	77,461	1,336
Total deferred taxation	(244,573)	241,732
Tax expense in the profit and loss account	(118,021)	8,422,754

Section 4

The Financial Statements for the Year Ended 31 March 2023

The differences are reconciled below:

	2023	2022
	£	£
(Deficit)/surplus before tax	(952,859)	42,814,323
Corporation tax at standard rate	(181,043)	8,134,721
Fixed asset differences	50,036	37,531
Adjustments to brought forward values	-	145,456
Adjustment in respect of prior periods - deferred tax	616	1,336
Adjustment in respect of prior periods - current tax	25,128	-
Effect of expense not deductible in determining taxable profit (tax loss)	11,337	145,809
Remeasurement of deferred tax change in tax rates	(41,991)	(3,363)
Losses carried back	16,755	-
Increase in UK and foreign current tax from adjustment for prior periods	-	99,489
Movement in deferred tax not recognised	79,853	(45,456)
Tax decrease from effect of adjustment in research and development tax credit	(42,110)	(92,769)
Income not deductible for tax purposes	(36,654)	-
Other permanent differences	52	-
Total tax charge	(118,021)	8,422,754

The tax credit for the year is lower than the standard rate of corporation tax in the UK (2022 - tax charge was higher than the standard rate of corporation tax in the UK) of 19% (2022 - 19%).

Section 4

The Financial Statements for the Year Ended 31 March 2023

Deferred Tax

Group		Company	
Deferred tax (assets)/liabilities		Deferred tax (assets)/liabilities	
	Asset		Asset
	£		£
2023		2023	
Fixed asset timing differences	13,292	Fixed asset timing differences	13,292
Short term timing differences	-	Short term timing differences	-
	13,292		13,292
	Liability		Asset
	£		£
2022		2022	
Fixed asset timing differences	268,331	Fixed asset timing differences	-
Short term timing differences	(37,050)	Short term timing differences	14,013
	231,281		14,013

Section 4

The Financial Statements for the Year Ended 31 March 2023

12. Tangible Assets

Group	Short term leasehold improvements	Furniture, fittings and equipment	Total	Company	Short term leasehold improvements	Furniture, fittings and equipment	Total
	£	£	£		£	£	£
	Cost				Cost		
At 1 April 2022	4,449,005	13,697,801	18,146,806	At 1 April 2022	4,449,005	9,844,402	14,293,407
Additions	-	1,140,847	1,140,847	Additions	-	1,140,847	1,140,847
Disposals	-	(4,266,330)	(4,266,330)	Disposals	-	(412,931)	(412,931)
At 31 March 2023	4,449,005	10,572,318	15,021,323	At 31 March 2023	4,449,005	10,572,318	15,021,323
Depreciation			Depreciation				
At 1 April 2022	2,362,650	8,421,808	10,784,458	At 1 April 2022	2,362,650	6,331,264	8,693,914
Charge for the year	758,362	1,574,541	2,332,903	Charge for the year	758,362	1,574,541	2,332,903
Eliminated on disposal	-	(2,391,420)	(2,391,420)	Eliminated on disposal	-	(300,876)	(300,876)
At 31 March 2023	3,121,012	7,604,929	10,725,941	At 31 March 2023	3,121,012	7,604,929	10,725,941
Carrying amount			Carrying amount				
At 31 March 2023	1,327,993	2,967,389	4,295,382	At 31 March 2023	1,327,993	2,967,389	4,295,382
At 31 March 2022	2,086,355	5,275,993	7,362,348	At 31 March 2022	2,086,355	3,513,138	5,599,493

Section 4

The Financial Statements for the Year Ended 31 March 2023

13. Investments

Company	Subsidiaries		Total £
	2023	2022	
	£	£	
Investments in subsidiaries	1	2	
Cost			
			At 1 April 2022
			2
			Additions
			-
			Disposals
			(1)
			At 31 March 2023
			1
Carrying amount			
			At 31 March 2023
			1
			At 31 March 2022
			2

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	
			2023	2022
Subsidiary undertaking				
Medicines Discovery Catapult Services Commercial Limited	Block 35G, Mereside, Alderley Park, Macclesfield, Cheshire, SK10 4ZF England and Wales	Ordinary	100%	100%

Section 4

The Financial Statements for the Year Ended 31 March 2023

14. Debtors

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	454,741	41,517,820	220,280	71,348
Amounts owed by group undertakings	-	-	695,409	315,723
Other debtors	985,890	1,461,508	1,007,484	1,285,364
Prepayments	1,778,414	1,888,524	1,539,027	1,704,607
Deferred tax assets	-	-	13,292	14,013
Corporation tax asset	316,722	-	187,259	139,367
Total current trade and other debtors	3,535,767	44,867,852	3,662,750	3,530,422

15. Cash and Cash Equivalents

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Cash at bank	41,978,937	31,007,982	40,222,959	9,441,730

Section 4

The Financial Statements for the Year Ended 31 March 2023

16. Creditors

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	1,665,489	13,317,995	1,667,768	731,018
Social security and other taxes	212,966	7,072,581	212,966	253,147
Outstanding defined contribution pension costs	89,801	283,341	89,801	87,995
Other creditors	541,143	857,827	160,270	199,111
Accrued expenses	624,329	7,536,481	591,706	502,487
Corporation tax liability	-	1,450,221	-	-
Deferred income	4,208,397	9,203,312	3,937,293	8,723,546
	7,342,125	39,721,758	6,659,804	10,497,304

17. Provision

Group	Deferred tax	Provisions	Total	Company	Total
	£	£	£		£
At 1 April 2022	231,281	992,223	1,223,504	At 1 April 2022	992,223
(Decrease)/Increase in existing provisions	244,573	30,947	213,626	Increase in existing provisions	30,947
At 31 March 2023	(13,292)	1,023,170	1,009,878	At 31 March 2023	1,023,170

Provisions for both the Group and Company relate to amounts reserved for dilapidation expenditure which will be accrued each year over the term of the lease to March 2028. The provision has been accessed during the financial year by independent consultants and is considered to be a reasonable estimate based on market valuation as at 31 March 2023.

Section 4

The Financial Statements for the Year Ended 31 March 2023

18. Pensions 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 £781,958 (2022 - £1,915,377).

Contributions totalling £89,801 (2022 - £283,341) were payable to the scheme at the end of the year and are included in creditors.

19. Reserves

Profit and Loss Account

Represents cumulative surpluses or deficits and other adjustments.

20. Obligations Under Leases and Hire Purchase Contracts

Group Operating Leases

The total of future minimum lease payments is as follows:

	2023 £	2022 £
Not later than one year	556,350	502,480
Later than one year and not later than five years	1,963,204	1,862,420
Later than five years	-	513,640
	2,519,554	2,878,540

Company Operating Leases

The total of future minimum lease payments is as follows:

	2023 £	2022 £
Not later than one year	556,350	502,480
Later than one year and not later than five years	1,963,204	1,862,420
Later than five years	-	513,640
	2,519,554	2,878,540

21. Commitments

Group and Company Capital Commitments

At 31 March 2023, Medicines Discovery Catapult Limited had committed to purchase various items of laboratory and computer equipment. The total amount contracted for but not provided in the financial statements was £nil (2022 - £37,502).

22. Related Party Transactions

During the year, the group made sales to a company where Christopher Molloy is also a director of £34,450 (2022 - £2,448) and at 31 March 2023 £nil (2022 - £nil) was owed to the group in respect of these sales.

23. 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.

