



**Synnovis Services LLP
(formerly known as Viapath Services LLP)**

**Unaudited Annual Report and Financial Statements
For the year ended 31 December 2021**

**A limited liability partnership registered in England and Wales
Registered number OC392044 Companies House**

CONTENTS

Designated Members and Advisors	3
Members' Report.....	4
Statement of Members' Responsibilities	7
STATEMENT OF COMPREHENSIVE INCOME SYNNOVIS SERVICES LLP (formerly known as Viapath Services LLP).....	8
STATEMENT OF FINANCIAL POSITION SYNNOVIS SERVICES LLP (formerly known as Viapath Services LLP).....	9
STATEMENT OF CHANGES IN EQUITY SYNNOVIS SERVICES LLP (formerly known as Viapath Services LLP).....	10
1. ACCOUNTING POLICIES.....	11
2. OPERATING SEGMENT	14
3. REVENUE	14
4. MEMBERS' REMUNERATION CHARGED AS AN EXPENSE AND SHARE OF PROFITS ..	14
5. OPERATING PROFIT	14
6. STAFF COSTS.....	15
7. FINANCE COSTS	15
8. IFRS 15 CONTRACT ASSETS	15
9. INTANGIBLE ASSETS.....	16
10. PROPERTY PLANT AND EQUIPMENT	17
11. TRADE AND OTHER RECEIVABLES	18
12. INVENTORIES	19
13. CASH AND CASH EQUIVALENTS	19
14. TRADE AND OTHER PAYABLES	19
15. PROVISIONS	20
16. MEMBERS' INTEREST.....	20
17. LEASE COMMITMENTS.....	21
18. PENSION SCHEMES	23
19. EVENTS AFTER THE REPORTING PERIOD.....	23

Designated Members and Advisors

Registration number: OC392044 (Companies House)

Registered office: Synnovis Services LLP (formerly known as Viapath Services LLP)
Francis House
9 King's Head Yard
London
SE1 1NA

Designated Members as at 31 March 2021:

Synnovis Group LLP (formerly known as Viapath Group LLP) 99.97%
shareholding (registered number OC337242)
Pathology Services Limited 0.0125% shareholding (registered number
06593374)
KCH Commercial Services Limited 0.0125% shareholding (registered
number 06023863)
Labco UK Group Limited 0.005% shareholding (registered number
09632108)

Banker: HSBC Bank plc
2nd Floor, Space One
1 Beadon Road
London
W6 0EA

Members' Report for the year to 31 December 2021

The Members present their annual report on the affairs of the Limited Liability Partnership, together with the unaudited financial statements, for the year ended 31 December 2021.

On 29 September 2022 Viapath Services LLP changed its name to Synnovis Services LLP. All references to Synnovis within these accounts should be taken as referring to Viapath in prior years.

Principal Activities

Synnovis Services LLP provides fully managed specialist laboratory facilities and pathology platforms, including Laboratory Information Management Systems (LIMS), on which our contracted customers perform pathology tests. Synnovis Services also is the entity responsible for purchasing and the supply chain.

Structure

Synnovis Group LLP ('Synnovis') is the majority stake-holding partner of Synnovis Services LLP holding 99.97%. As of 1 January 2021, minority partners were KCH Commercial Services Ltd (KCS) and Pathology Services Ltd (PSL) each holding 0.015% share.

On 31 March 2021 Labco UK Group Limited (the representative statutory entity for Synlab UK & Ireland) purchased a 51% share of Synnovis Group LLP being 51% of each of the KCS and PSL share in the entity thus reducing their respective holdings from 50% to 24.5% each. In addition, Labco UK Group Limited purchased 33.33% of KCS's and PSL's interest in each of Synnovis Analytics and Synnovis Services (being 0.005% of the total interest in each of Synnovis Analytics and Synnovis Services). From 31 March 2021 Synnovis Group LLP became a controlled entity of Labco UK Group Limited and service commenced on 1 April 2021.

Business Review

During the year, Synnovis Services LLP held major contracts with Guy's St Thomas' NHS Foundation Trust (GSTT) and King's College Hospital NHS Foundation Trust (KCH).

Business Changes

Our Healthier South East London Integrated Care System (OHSELICS)

Synnovis Services LLP's previous contract to provide laboratory services to Guy's and St Thomas' NHS Foundation Trust (GSTT) and King's College Hospital NHS Foundation Trust (KCH) ran to September 2020. GSTT and KCH are primary parties in OHSELICS. In August 2018, OHSELICS initiated a tender process in August 2018 for the renewal of these services along with the provision of pathology testing and pathology laboratory services to South London and Maudsley NHS Foundation Trust, Oxleas NHS Foundation Trust, as well as General Practitioners (GPs) across South East London. In April 2020, it was confirmed that SYNLAB had been selected as the new partner to deliver these services.

During 2020, extensions to the current contracts were agreed with GSTT and KCH to ensure the continuation of fully managed laboratory facilities. The contract extensions took effect from 1 October 2020 and ran to 31 March 2021. The contract between SYNLAB UK and the parties to the South East London Sustainability and Transformation Partnership was formalised and the new contract to deliver services commenced on 1 April 2021.

Following the outbreak of COVID-19, Synnovis became a major provider of COVID-19 testing. Synnovis has successfully worked with NHS England, many NHS trusts as well as third party commercial customers to meet the immense demand for COVID-19 testing during the pandemic.

COVID-19

Synnovis' pathology and laboratory services have been at the forefront of supporting Public Health England (PHE) and the NHS to manage the COVID-19 pandemic. Since 2020, Synnovis has built up its testing capacity to meet the needs of the healthcare system, at one-point accounting for 20% of the entire NHS England testing capacity. The scale-up of testing enabled Synnovis to extend its outreach to care homes, pre-operative patients, hospitality, travel, and sporting associations and implemented one of the UK's first COVID-19 rapid testing services.

Brexit Impact

Brexit had a minimal effect on Synnovis in 2021, with no impact on the delivery of its pathology or laboratory services. Synnovis had taken prompt action to ensure its non-British EU workforce were aware of the action they needed to take to remain in the UK after the end of the transition period by signposting EU Settlement scheme information and funding EU Settlement Status claims.

Year End Results

The results for the year ended 31 December 2021 are shown in the primary statements on pages 8, 9 and 10, while the notes supporting the statements are shown from page 14 onwards. The Members believe that these results accurately reflect Synnovis Services LLP's activities during the year.

A summary of key financial results is set out in the table below:

	2021	2020
Revenue (£ '000)	79,857	52,277
Operating profit for the financial year (£ '000)	8,770	5,043
Total assets (£ '000)	125,120	40,757
Operating profit/(loss) percentage	11%	9.6%

Profits for Synnovis Services LLP have increased from £5.0m in 2020 to £8.7m in 2021 and revenues increased to £79.9m. Synnovis experienced an underperformance in several key laboratories as the pandemic continued, but revenue was more than made good by COVID-19 testing which continued throughout the year and the commencement of the new contract. Total assets have significantly increased due to new IFRS16 lease agreements, with Friars Bridge Court ('The Hub') being the main addition.

Capital Expenditure

In 2021, capital projects were resumed with a great emphasis on the Hub and various transformation projects. Synnovis continued to invest in lab equipment and supporting infrastructure, committing £1.1m (2020: £1.0m) of capital to replace current equipment and invest in new assets. During the year, the SAP replacement project was completed and Synnovis successfully migrated to the new ERP system.

Major Risks and Uncertainties**Interest rate risk**

Synnovis Services LLP repaid their long term loans and therefore is not deemed to be materially subject to interest rate risk.

Credit Risk

Synnovis Services LLP's principal financial assets are trade and other receivables from contracts held with GSTT and KCH. The Members of Synnovis Services LLP do not consider that these balances are open to significant credit risk.

Going Concern

Synnovis Services LLP continues to play an important role in the strategic direction of the Synnovis Group.

As per the outcome of the OHSELICS tender, SYNLAB was selected as the preferred partner to deliver and transform pathology services across South East London. To support the delivery of these services, Synnovis Services LLP retained its current contracts until March 2021. SYNLAB then bought into the Synnovis joint venture on 31 March 2021, with the intent to continue Synnovis' operations and thereby becoming a partner to KCL and PSL. Synnovis Services LLP has access to financial resources available through Synnovis Group LLP as both formal and informal funding from its Members. The financial plan for the group forecasts that it will generate cash in excess of its operational and investment requirements. Furthermore, Synnovis Group LLP formally guarantees the undertakings of its subsidiary, Synnovis Services LLP.

The Members have a reasonable expectation that Synnovis Services LLP has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the report and financial statements.

Approved on behalf of the Members of Synnovis Services LLP.

A handwritten signature in black ink, appearing to read 'Mark Dollar', is written over a horizontal line that extends across the width of the signature.

Mark Dollar
Chief Executive Officer, Synnovis Group LLP

Dated: 30 September 2022

Statement of Members' Responsibilities

The Members are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The Limited Liability Partnerships (Accounts & Audit) (Application of Companies Act 2006) Regulations 2008 require the Members to prepare financial statements for each financial year. Under that law the Members have elected to prepare the financial statements in accordance with Financial Reporting Standard (FRS) 101 taking advantage of the exemptions from International Financial Reporting Standards (IFRS) as adopted by the UK. The financial statements are also required by law to be prepared in accordance with the Companies Act 2006, as applicable to limited liability partnerships. The consolidated results can be found in the accounts of Synnovis Group LLP.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the partnership's financial position and financial performance. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. However, Members are also required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information; and
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the partnership's financial position and financial performance.

The Members are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the partnership and enable them to ensure that the financial statements comply with the Companies Act 2006, as applicable to limited liability partnerships. They are also responsible for safeguarding the assets of the partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Members are responsible for the maintenance and integrity of the corporate and financial information included on the partnership's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

These responsibilities are exercised by the Board on behalf of the Members.

STATEMENT OF COMPREHENSIVE INCOME
SYNNOVIS SERVICES LLP (formerly known as Viapath Services LLP)
For the year to 31 December 2021

Continuing Operations	Notes	2021	2021
		£ `000	£ `000
Revenue		79,857	52,277
Cost of Sales		(41,253)	(30,093)
Gross Profit		38,604	22,184
Administrative Expenses		(29,834)	(17,141)
Operating Profit		8,770	5,043
Finance Costs	7	(2,348)	(168)
Profit for the year available for discretionary division among Members		6,422	4,875
Total Comprehensive Income for the year attributable to Members		6,422	4,875

STATEMENT OF FINANCIAL POSITION
SYNNOVIS SERVICES LLP (formerly known as Viapath Services LLP)
As at 31 December 2021

	Notes	2021 £ `000	2020 £ `000
Assets			
Non-current Assets			
Intangible Assets	9	8,950	7,770
Property plant and Equipment	10	8,499	4,676
Contract Assets	8	2,375	
Right-of-use Assets	17	75,962	7,309
Total non-current assets		95,786	19,755
Current assets			
Inventories	12	6,413	5,511
Trade and other receivables	11	21,703	13,812
Cash and cash equivalents	13	1,218	1,679
Total Current Assets		29,334	21,002
Total Assets		125,120	40,757
Equity and liabilities			
Equity attributable to Members			
Other reserves	16	5,847	4,790
Total Equity		5,847	4,790
Non-current liabilities			
Lease Liabilities	17	1,235	2,590
Total non-current liabilities		1,235	2,590
Current liabilities			
Provisions	15	126	651
Trade and other payables	14	31,329	28,006
Lease Liabilities	17	86,583	4,720
Total current liabilities		118,038	33,377
Total liabilities		119,273	35,967
Total equity and liabilities		125,120	40,757

For the financial year in question the Limited Liability Partnership was entitled to exemption from audit under section 479a of the Companies Act 2006 (as applied by Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008). The Members have not required the LLP to obtain an audit of its accounts for the year in question in accordance with section 476 and acknowledge their responsibility for complying with the requirements of the Companies Act 2006 (as applied to limited liability partnerships) with respect to accounting records and the preparation of accounts. The accompanying notes are an integral part of this statement of financial position. The financial statements of Synnovis Services LLP registration number OC392044 were approved by the Members and authorised for issue on 30 September 2022 and signed on the Members' behalf by:



Mark Dollar
CEO Synnovis Group LLP
Approved and signed on behalf of the Members
Dated: 30 September 2022

STATEMENT OF CHANGES IN EQUITY
SYNNOVIS SERVICES LLP (formerly known as Viapath Services LLP)

	Other Reserves £ '000	Total £ '000
Balance at 1 January 2020	(85)	(85)
Total Comprehensive Income 2020	4,875	4,875
Balance at 1 January 2021	4,790	4,790
Total Comprehensive Income 2021	6,422	4,421
Profit Distribution	(5,365)	(5,365)
Balance at 31 December 2021	5,847	5,846

Notes to the Financial Statements

1. ACCOUNTING POLICIES

The principal accounting policies are set out below and have been applied consistently throughout the current and preceding year.

Going concern

Synnovis Services LLP's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Members' Report.

The Members have a reasonable expectation that Synnovis Services LLP has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the report and financial statements.

Basis of accounting

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the UK and under the historical cost convention.

The financial statements are presented in sterling, rounded to the nearest £1,000 on the historical accrued cost basis and adopting the accounting policies presented herein.

Policies applicable from 1 January 2021

The Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract, and leases are accounted for in accordance with IFRS 16. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate Intercompany borrowing rate as a proxy to IBR in the lease. The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

Revenue

Revenue is measured at fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes. Where income is derived from contracts with customers, it is accounted for under IFRS 15. Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligations.

Taxation

The status of a Limited Liability Partnership is such that it is transparent for Corporation Tax. The liability for taxation on Synnovis profits falls on the Members and is not dealt with in these financial statements.

Members' remuneration

Remuneration to Members that is paid under service agreements, or other payments, which represent a liability of the entity not arising from a division of profits, are either expensed to the income statement or capitalised depending on the nature of the transaction and are disclosed within the related party note.

Profit shares which have not been allocated until after the balance sheet date, are treated in these financial statements as unallocated at the balance sheet date and included within other reserves.

Intangible assets

Costs are capitalised as an intangible asset only if all of the following conditions are met:

- an asset is created that can be identified.
- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Expenditure is amortised over the shorter of the period of the value in use or the asset's expected useful life. Where appropriate, provision is also made for any impairment. All other development expenditure is written off as incurred.

Assets under construction are stated at cost and are not amortised until the asset is completed and placed in service.

Laboratory information system software is typically amortised on a straight-line basis at the rates of 10% - 14% per annum over the life of the contract or licence. An annual review of intangible assets is undertaken to review each asset's value in use (detail below).

Property, plant and equipment

Property, plant and equipment are stated at cost, net of depreciation and any provision for impairment. Synnovis does not own any property and Synnovis Group LLP leases its Head Office building.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit and loss.

Depreciation is provided on all property, plant and equipment on a straight-line basis at rates that reduce the assets to their residual value over their estimated useful lives.

The principal annual rates used are:

Plant and equipment 10% - 33%

Impairment of property, plant and equipment and intangible assets

At each balance sheet date, Synnovis reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately as an expense in profit and loss.

Financial assets

Financial assets are classified as loans and receivables. Loans and receivables have fixed or determinable payments that are not quoted in an active market.

Financial assets include cash and cash equivalents, trade receivables, other debtors and amounts owed by Members. Synnovis determines the classification of its financial assets at initial recognition, and they are initially recorded at fair value.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that Synnovis will not be able to collect all amounts due according to the original terms of the contract. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that a trade receivable is impaired. The amount of the provision is based on management's best estimate of the likelihood of the recoverable amount. The carrying amount of the asset is reduced with an impairment provision account and the amount of the loss is recognised in the income statement within administrative expenses. When a trade receivable is uncollectible, it is written off against the impairment provision account for trade receivables. Subsequent recoveries of amounts previously written off are credited against administrative expenses. The impairment as at 31 December 2021 has been calculated using the expected credit losses method as prescribed in IFRS 9 'Financial instruments'.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and demand deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and have a maturity of three months or less.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average cost basis. Net realisable value represents the value to the business in use.

Financial liabilities

Synnovis determines the classification of its financial liabilities at initial recognition. Financial liabilities include trade payables, loans due to Members and other amounts due to Members. Trade payables are initially recognised at fair value and subsequently at amortised cost.

Loans due to Members

Loans are recognised at the value of proceeds received. Finance charges are recognised in the income statement account on an accrual basis. Member's loans carry a variable interest rate based on 'LIBOR-plus' agreements.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or equity in accordance with the substance of the contractual arrangement.

Pension costs: Defined contribution schemes

Contributions for the period in respect of defined contribution schemes are charged to the income statement account as they fall due. Differences between charges accruing during the year and cash payments are included as either accruals or prepayments in the balance sheet.

Critical accounting estimates and key sources of estimation

In the process of applying Synnovis' accounting policies which are described in this note, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements.

Contract costs

All bid costs are expensed through the income statement up to the point where contract award (or full recovery of costs) is virtually certain. Bid and transition costs incurred after this point are then recognised within trade and other receivables as amounts recoverable on contracts. Bid costs are expensed on a straight-line basis on award of contract over the life of the contract. Transition costs are expensed on a straight-line basis on successful completion of the project over the contract period. Detailed contract forecasts are prepared to determine whether the assets are recoverable, and an asset is only recognised where it is determined that the costs are fully recoverable. The Members are confident that the carrying amount of the assets will be recovered in full.

2. OPERATING SEGMENT

The partnership's operations relate to delivering laboratory services within the United Kingdom. As such the LLP does not disclose operating segment information. The Board is the chief operating decision maker.

3. REVENUE

The revenue of the partnership is principally derived from the provision of laboratory services to health organisations. Synnovis Services LLP's main customers during the year were are Guy's and St Thomas' NHS Foundation Trust (GSTT) and King's College Hospital NHS Foundation Trust (KCHT).

4. MEMBERS' REMUNERATION CHARGED AS AN EXPENSE AND SHARE OF PROFITS

All outflows of benefits to Members are treated as Members' remuneration. No remuneration was paid to Members under an employment contract in the current or prior year.

Distributable profits are divided among the Members in accordance with agreed profit-sharing arrangements.

5. OPERATING PROFIT

	2021	2020
	£ `000	£ `000
Is stated after charging:		
Amortisation of intangible assets	1,846	1,576
Depreciation on equipment	1,859	1,433
Depreciation on right-of-use assets	7,715	4,336
Depreciation of IFRS 15 Contract Assets	124	-
Trade receivables impairment	16	6
Intangible impairment	-	6
Loss on disposal of property, plant and equipment	209	149
Loss on disposal of intangible assets	2	-
Cost of inventories recognised as an expense	36,175	21,364

6. STAFF COSTS

	2021	2020
	£ `000	£ `000
Employee costs excluding Members:		
Wages and salaries	2,620	2,865
Social security costs	497	360
Other pension costs	223	131
Total staff costs	3,340	3,356

7. FINANCE COSTS

	2021	2020
	£ `000	£ `000
Interest payable to Members		
Other	2,348	168
Total finance costs	2,348	168

8. IFRS 15 CONTRACT ASSETS

	2021	2020
	£ `000	£ `000
Cost	-	-
Additions during the period	2,499	-
Disposals	-	-
Impairment	-	-
At 31 December 2021	2,499	-
Accumulated depreciation		
At 1 January	-	-
Charge for the period	(124)	-
Disposals	-	-
At 31 December 2021	(124)	-
Net book value	2,375	-

9. INTANGIBLE ASSETS

	Assets under construction	Intangibles	Total
	£ `000	£ `000	£ `000
Cost			
At 31 December 2020	26	17,590	17,617
Additions During the Year	2,347	681	3,029
Transfer	(26)	26	-
Impairment	-	-	-
Disposals	-	(2)	(2)
At 31 December 2021	2,347	18,295	20,643
Accumulated amortisation			
At 31 December 2020	-	(9,846)	(9,846)
Charge for the year	-	(1,846)	(1,846)
Impairment	-	-	-
Disposals	-	-	-
At 31 December 2021	-	(11,692)	(11,692)
Net book value			
At 31 December 2020	26	8,476	8,502
At 31 December 2021	2,347	6,603	8,950

10. PROPERTY PLANT AND EQUIPMENT

	2021	2020
	£ `000	£ `000
Cost		
At 1 January	12,952	11,664
Additions during the period	5,891	1,865
Disposals	(538)	(577)
Impairment	-	-
At 31 December	18,305	12,952
Accumulated depreciation		
At 1 January	(8,276)	(7,271)
Charge for the period	(1,859)	(1,433)
Disposals	329	428
At 31 December	(9,806)	(8,276)
Net book value	8,499	4,676

11. TRADE AND OTHER RECEIVABLES

Trade and other receivables falling due within one year:

	2021	2020
	£ `000	£ `000
Trade receivables	441	684
Allowance for doubtful debts	(16)	(6)
Total trade receivables	425	678
Intercompany receivable	1,444	-
Amounts owed by Members	3,325	9,520
Other receivables	11,769	2,387
Amounts owed from HRMC	1,507	-
Prepayments and other accrued income	3,232	1,226
Total receivables falling due within 1 year	21,702	13,812

Ageing of trade receivables:

	2021	2020
	£ `000	£ `000
Not overdue	183	-
30 – 60 days	22	(23)
60 - 90 days	51	-
90 – 120 days	13	536
Over 120 days	172	171
Total	441	684

Movement in trade receivables impairment provision:

	2021	2020
	£ `000	£ `000
Balance as at 1 January	6	57
(Decrease) / increase in impairment provision	10	(51)
Balance as at 31 December	16	6

12. INVENTORIES

	2021	2020
	£ `000	£ `000
Stock ready for use by the business	6,413	5,511
Net realisable value of stock as at 31 December	6,413	5,511

13. CASH AND CASH EQUIVALENTS

	2021	2020
	£ `000	£ `000
Cash at bank and in hand	1,218	1,679
Cash and cash equivalents	1,218	1,679

14. TRADE AND OTHER PAYABLES

Trade and other payables falling due within one year:	2021	2020
	£ `000	£ `000
Trade payables	10,244	4,179
Amounts owed to Members	2,349	3,554
Other taxes and social security	103	345
Accruals	13,947	3,762
Deferred income	3,950	4,208
Amounts Payable to HMRC	-	627
Other payables	240	-
Member Loans	-	690
Intercompany	496	10,642
Total Payables falling due within one year	31,329	28,006

15. PROVISIONS

	2021	2020
	£ `000	£ `000
Provisions consist of:		
Other	126	651
Total Provisions	126	651

Other provisions consist of commercially sensitive information that, if disclosed, may lead to financial loss for Synnovis. IAS 37 provides options for restricted disclosures where management believe that disclosure may lead to financial loss; Synnovis has taken advantage of this restriction.

All provisions are specific in nature.

16. MEMBERS' INTEREST

	Members' Capital	Other reserves	Loans and other debts due to Members	Total
	£ '000	£ '000		£ '000
Balance at 1 January 2021	-	4,790	(690)	4,100
Loans issued by Members	-	-	-	-
Profit for the financial year available for discretionary division among Members	-	6,422	-	6,422
Loans repaid to Members	-	-	690	690
Profit distribution	-	(5,365)	-	(5,365)
Balance at 31 December 2021	-	5,847	-	5,847

17. LEASE COMMITMENTS

A lease conveys the right to control an identified asset for a period in exchange for consideration. The lease is recognised as a Right-Of-Use Asset on the balance sheet, measured at the amount of the lease liability less the associated interest cost.

The lease liability is measured at the present value of the future lease payments, using a lease term that includes periods covered by extension options if exercise is reasonably certain. The interest rate implicit in the leases is assumed at the cost of borrowing (LIBOR + 2%) as per the Member loans. Synnovis Services has no other debt financing arrangements or types of leases that could determine an alternative incremental borrowing rate.

Synnovis Services has exercised its right under IFRS16 to make use of the practical expedients for short term leases (less than 12 months in duration) and low value leases (less than £100k contract spend). Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term

Right-of-Use Assets

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised on balance sheet:

	Office Equipment £'000	Equipment and Consumables £'000	Buildings £'000	Total £'000
Cost				
December 31, 2020	23	11,623	-	11,646
December 31, 2021	7	8,792	74,878	83,677
Depreciation expense for the year ended				
December 31, 2020	(16)	(4,320)	-	(4,336)
December 31, 2021	(7)	(2,482)	(5,226)	(7,715)
Net Carrying Value				
December 31, 2020	7	7,303	-	7,310
December 31, 2021	-	6,310	69,652	75,962

* Values are as at 31/12/2021

* *Termination options interpreted as break date or notice period

***Note, equipment and consumables relate to the supply of instruments, reagents and consumables – consumables typically being probes and sensor level triggers used in Synnovis' laboratories.

Right of use Liabilities

	2021 £'000	2020 £'000
Amounts recognised in profit or loss	7,715	4,337
Depreciation	2,343	107
Interest on lease liabilities	213	-

Maturity Analysis

The consolidated undiscounted maturity analysis of lease liabilities at 31st December 2021 is as follows

31st December 2021	Within 1 year £'000	2 years £'000	3 years £'000	4 years £'000	5 or more years £'000	Total £'000
Equipment and Consumables	3,441	2,373	154	157	170	6,295
Buildings	(2,206)	7,326	4,471	3,276	68,655	81,522
Total	1,235	9,699	4,625	3,433	68,825	84,817

31st December 2020	Within 1 year £'000	2 years £'000	3 years £'000	4 years £'000	5 or more years £'000	Total £'000
Office Equipment	7	-	-	-	-	7
Equipment and Consumables	2,583	1,956	1,387	747	630	7,303
Total	2,590	1,956	1,387	747	630	7,310

Buildings within 1 year includes expected landlord contributions of £8.85m in 2022.

Buildings within 1 year represents a lease receivable with a present value of £5,904k as a result of landlord contributions for Friars Bridge Court. This amount is offset by a lease liability with a present value of £3,698k for other buildings.

18. PENSION SCHEMES

The Synnovis group of LLPs has three current and two closed defined contribution pension schemes for employees:

- i. Legal & General Default Contribution Scheme – current;
- ii. Legal & General Enhanced Contribution Scheme – current
- iii. Legal & General Auto-Enrolment Pension Scheme – closed to new contributions;
- iv. Legal & General Stakeholder Pension Scheme – closed to new contributions;
- v. NHS Pension Schemes – current.
- vi. NHS Pension Schemes

Legal & General Auto-Enrolment Scheme and Legal & General Stakeholder Scheme

The Legal & General Auto-Enrolment Scheme and Legal & General Stakeholder Scheme are Defined Contribution schemes. The schemes' assets are held separately from those of the LLP in contract-based arrangements. The LLP paid employer contributions for the year ended 31 December 2021 of £41k net of salary sacrifice deductions (2020: £89k) into the L&G Schemes.

NHS Pension Schemes

The NHS Pension Schemes are all Defined Benefit schemes, under the NHS Pension Scheme reference numbers EA29, EA30 and EA31. The schemes are for staff who transferred to Synnovis employment under the provisions of the Transfer of Undertakings (Protection of Employment) Regulations 2006. Synnovis was granted Director Status with effect from 1 January 2015 under Section 7 of the Superannuation (Miscellaneous Provisions) Act 1967, under which the Secretary of State approves, subject to certain restrictions, the payment of contributions by people employed outside the National Health Service.

Director Status allows staff who are compulsorily transferred from the NHS to be offered continued access to the NHS Pensions Scheme rather than being offered a comparable private pension scheme. In broad terms, all staff whose employment is compulsorily transferred from the public sector under TUPE, including subsequent TUPE transfers, to independent providers of public services will retain access to their current employer's pension arrangements.

The NHS Pension Schemes are non-funded Defined Benefit UK Government schemes to which employers' only liability is to make contributions. The schemes' assets are held separately from those of the LLP in contract-based arrangements. They are therefore treated as Defined Contribution schemes in these accounts.

The LLP paid employer contributions for the year ended 31 December 2021 of £183k (2020: £42k) into the NHS Pension Schemes.

19. EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the balance sheet date of 31 December 2021.