PROFITS OF DOOM

THE COMPANIES AND MIDDLEMEN WHO CASHED IN ON COVID... AND HOW THEY DID IT

by **Richard Brooks**

As the greatest public health emergency for a century brought illness, bereavement and hardship to millions in the UK and presented taxpayers with a £75bn bill for extra health spending, a smaller band of opportunists was using that cash to fund the richest of private paydays. This is the story of the Covid profiteers who took advantage of a country in crisis and the government that let them get away with it

"THE United Kingdom has an enviable reputation for resilience," wrote the then Cabinet Office minister Caroline Nokes MP introducing 2017's *National Risk Register of Civil Emergencies*, the last iteration of the little-noticed but critical document before Covid-19 hit.

"Call it what you will, but whether through the fabled 'stiff upper lip', 'Blitz spirit' or just a stubborn determination, our resilience can be seen at the forefront of our handling of emergencies," she continued. When it came to viral outbreaks, "emergency responders have personal protective equipment [PPE] for severe pandemics and infectious diseases".

The reality was very different. The more chronic British diseases of exceptionalism, false confidence and political mismanagement of its public services had seen to that. Nine months into the pandemic that duly arrived in February 2020, the National Audit Office reported with some understatement that the Department of Health and Social Care (DHSC) had no "targets related to the resilience of supplies to the NHS and the operating model was not designed to respond to a pandemic".

A decade of austerity was littered with reports on how to make buying health supplies more efficient but none on protecting health services from the worst. A 2013 Department of Health report produced in the wake of the then health secretary Andrew Lansley's major reform of the NHS, *Better Procurement, Better Value, Better Care*, promised "£1.5bn of procurement efficiencies". It was followed up by favoured health service reformer Lord Carter of Coles, who said he could do even better and save the NHS £750m a year (which didn't materialise) via a "procurement transformation programme".

> PPE procurement soon looked less like Beaverbrook's "saucepans for spitfires" and more a ruse that *Dad's Army* spiv Private Walker might have run

Carter's prescription was to channel health purchasing through a new company called Supply Chain Coordination Ltd, billed as an "intelligent client coordinator" for the health service. Pandemic stockpile levels would be set by Public Health England, the not-so-clever central body created in Lansley's overhaul with little idea of public health needs on the ground. To manage what passed for its stockpile it contracted SCCL, which in turn sub-contracted storage and distribution to a US-owned company called **Movianto**.

When auditors examined the effectiveness of this Heath Robinson system early in the pandemic, they found "warehouse staff were overwhelmed", the "stockpile of PPE was stored in a 'deep storage' warehouse... making it difficult to distribute stock rapidly", "the logistics arrangements were not geared for an immediate response" and "some PPE had passed its expiry date or did not meet current safety standards". None of which, *Eye* 1551 revealed in July, stood in the way of a multi-million pound early Covid profit for Movianto.

ILL-EQUIPPED

AS TV IMAGES of health and care workers struggling with sub-standard protection streamed into locked-down Britain's living rooms, with medics becoming ill and their deaths reaching three figures, health secretary Matt Hancock belatedly admitted shortages. Issuing a "call to arms", he recalled how "Lord Beaverbrook spearheaded the wartime efforts on aircraft production" and summoned not a press baron but a former Goldman Sachs banker, Lord (Paul) Deighton.

As chief executive of the 2012 London Olympics organising committee, Deighton had been the last person to throw limitless money at a project to ensure success. He would now "lead a singular and relentless focus on PPE as the country's top manufacturing priority". A new "parallel supply chain" overseen by Deighton would eventually account for two thirds of 32 billion items of PPE – masks, gloves, aprons, body bags, etc – ordered at a

FAT CATS WHO GOT THE CREAM

Tim Horlick
£20.3m
Ayanda Capital

Andrew Mills
£32.4m
Ayanda Capital

Nathan Engelbrecht
£11.6m
Ayanda Capital

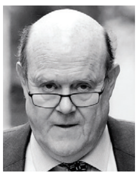
Banks Bourne
£45.7m
Tanner Pharma

David Meller
(and brother Michael)
£16.4m
Meller Designs

Iain Liddell
£20m
Uniserve group

Peter Fitzgerald
£15.9m
Randox Laboratories

Graham Mullis
£8.5m
Primer Design



Rupert Soames
£3.85m
Serco

Deloitte partners
£854,000
average profit share per partner on the back of Covid contracts

cost of £12.5bn in five months. (This turned out to be a drastic over-order, based on "modelling" from McKinsey, one of many consultancy firms to be quids-in from Covid.)

Emergency regulations allowed suppliers to be given contracts without the competition that, in theory, ensures good value for the buyer (the taxpayer, in this case). The absence of commercial discipline was to be mitigated by a dedicated PPE sourcing unit in the Department of Health and Social Care to ensure not just plentiful supplies but also that "the best value for money is achieved in a high demand market". For those with the right contacts, making their case through MPs, peers, ministers or senior officials, a "high priority" lane gave a ten-fold greater chance of bagging a contract.

Under the ministerial wing of former nightclub manager Lord (James) Bethell, civil servants from the commercial divisions of the Department of Health, Cabinet Office and elsewhere across Whitehall, aided by the Covid era's luckiest management consultants from Deloitte, made up new rules up as they went along. Safeguards against conflicts of interest weren't properly followed, auditors would soon find, while due diligence on suppliers was at best cursory and transparency rules were ignored.

Few would argue the government's task was easy. But PPE procurement soon looked less like Beaverbrook's "saucepans for spitfires" and more a ruse that *Dad's Army* spiv Private Walker might have run. Enterprising or opportunistic businessmen (it was nearly always men) were winning eight- and nine-figure deals through companies that had either just been created, had long been inactive or had been selling anything – from confectionery to rat poison – *except* medical equipment. Given the desperate shortages, turning to such people might have been defensible so long as the price was right. But it wasn't going to be.

MEN IN THE MIDDLE

HANCOCK's "top manufacturing priority" in fact turned out to mean relying on goods made in China. A mere 8 percent of the £12.5bn PPE delivered by July 2020 was made in the UK. A similar amount came directly from Chinese factories but the largest category, more than £5bn worth, was from "UK suppliers". What this really meant was middlemen buying goods from China and selling them on to the Department of Health.

The political connections of some of those winning large contracts in a business they'd never touched before were soon prompting allegations of cronyism. One of the first to attract such suspicion was a £252m deal signed at the end of April 2020 with **Ayanda Capital Ltd.** Unknown in the world of medical gear, this was an investment company owned via a Mauritius holding company by Tim Horlick, ex-husband of "superwoman" fund manager Nicola Horlick. Its PPE contract provided perhaps the most egregious taxpayer-funded windfalls for three men at the centre of it; and this special report can reveal the extent of the bounty for the first time (*see Top Troughers, opposite*).

Responding to growing controversy, ministers claimed that "every single procurement decision went through an eight-stage process" overseen by a "clearance board" comprising senior Cabinet Office and Department of Health commercial directors. This supposedly ensured the credibility of supplier and manufacturer and that the deal was good value. Junior minister Jo Churchill MP later had to admit the process hadn't been followed with Ayanda and, it emerged, another 70 cases worth £1.5bn awarded before the end of April. More importantly, even when it was followed it was evidently as much use as an Ayanda mask with the wrong strings.

> "Safeguards against conflicts of interest weren't properly followed… while due diligence on suppliers was at best cursory and transparency rules were ignored"

One man who sailed through the checks and the clearance board, court papers filed last year in Miami showed, was Florida-based jewellery designer Michael Saiger. He had "experience in working with manufacturers and distributors in China", spotted the great PPE opportunity in Europe and, through his Florida-registered company **Saiger LLC**, teamed up with a Spanish middleman called Gabriel Andersson.

They had particular success in the UK, winning PPE contracts worth around £230m in May and June before falling out. The Spaniard, described as "effectively acting as Saiger LLC's third-party chief operating officer", was to receive commissions including \$16m on the sale of 10.2m surgical gowns destined for the UK (having already been paid \$28m on other deals). Working out around £1.25 per item when the department was paying an average £4.50 (though market prices fluctuated), this implied a cut for Andersson of between 25 and 30 percent. And that was before Saiger's own profits, unknown since Florida companies don't have to publish accounts. All, of course, paid for by British taxpayers on top of what the products were worth.

CHEQUES AND BALANCES

IT WAS clear officials were buying PPE without asking whether the suppliers and their agents were milking it, despite such checks being required on contracts dished out with no competition. The government's "sourcing playbook" reminded civil servants how "it is important to guard against firms making excessive profits". Yet the Department of Health repeatedly declined to answer the *Eye's* questions on whether and how company profits were assessed when pricing contracts.

The department's crack PPE team, or "cell", did supposedly look more closely at supplies that were at least 25 percent more expensive than the previous fortnight's average for the particular items. But this still gave huge room to juice contracts; the PPE cell was notoriously leaky; suppliers would have known about the pricing leeway and the average had already been ratcheted up by middlemen's fat margins. As one procurement veteran told the *Eye*, it was "the most ridiculous benchmarking process I've ever heard of".

As the Covid profiteers filled their boots, in June last year Cabinet Office permanent secretary and government "chief operating officer" Alex Chisholm insisted to MPs on the public accounts committee that he had achieved "value for money" – even though the "cost of buying things at great speed from multiple sources in a seller's market has been higher than we would like to have paid".

It may well have been a seller's market, but the average five-fold increase from pre-pandemic prices also owed much to the cash being extracted in lavish profits and commissions.

Profiteering, though not illegal, was perhaps the most obvious risk to which those in charge of the health department's buying spree should have been alive. Yet there's no sign the government's commercial leaders, brought in from the private sector supposedly to provide such nous, considered the matter. When the government's £250,000-a-year chief commercial officer Gareth Rhys Williams, previously of cleaning outsourcing company PHS, appeared before MPs last December, he merely boasted about how much PPE had been bought with no word on cost.

Meanwhile those who presided over the health department's buying spree but failed to rein in the excesses have recently made trips not to parliament to answer questions but to Buckingham Palace to pick up gongs. In June, the DHSC's commercial director Steve Oldfield (on £235,000) collected a CB while his deputy and head of procurement, Ed James, received an MBE. Not a bad outcome for the man whose signature lurks beneath the redactor's black ink on over-priced PPE contracts, including that with Ayanda.

James also doubles as his department's "SME [small and medium enterprise] champion and outsourcing champion", in which capacity he certainly put in a medal-winning performance but which might not make him the taxpayer's first choice for fat cheque signer-in-chief.

OUT OF SIGHT

NOR DID ministers and senior officials seem to have any qualms about the convoluted set-ups being used to mask the profits being made and who exactly was making them. In late June 2020, a company that had existed for just six weeks, **PPE Medpro Ltd**, won £202m worth of deals to supply masks and gowns (the latter at a pricey £4.88 each, compared to a pandemic average of £4.50).

The company was supposedly owned by Anthony Page, an Isle of Man trust adviser more used to supplying tax efficiency and secrecy than medical equipment. He would later tell the *Eye* that "there is a consortium of successful entrepreneurs that have financed and backed [PPE Medpro]", confirming that he was more nominee than real controller of the company.

More of a clue as to PPE Medpro's driving force comes from the identity of Page's fellow director in the company between June and November last year, Maurice Stimler. He runs a long-established import/export business called Loudwater Trade & Finance from premises in Golders Green, London, specialising in coffee, fruit and nuts, with sidelines in luxury goods and medical and dental products. Its turnover miraculously increased by £149m, and its

COVID CRUNCHING

£17.3bn Value of Covid contracts awarded by July 2020

£17.1bn Value of those awarded with no competition profits trebled to £15m, in the otherwise subdued international trading period covered by the PPE deal. Neither man would comment on Loudwater's role, but it is clear that large amounts of public money have been funnelled into intentionally opaque corporate structures that hide their beneficiaries.

British company law is friendly to businessmen shielding their lucrative activities. Successive governments have lightened accounting requirements to the point that offshore levels of secrecy can be enjoyed without the stigma (and possible exclusion from public contracts), that would come with incorporating in a tax haven.

Despite the nine-figure taxpayer-funded sums they received, companies like PPE Medpro and a host of others mining the Covid seam, such as **Crisp Websites Ltd** (trading as Pestfix, with £300m of PPE contracts), are likely never to have to declare their income or how much they pay out to their owners. Still considered "small" companies, for them the business of extracting vast amounts of public money can remain a private affair (*see Secret Squirrels, p28*).

Occasionally accountancy detective work does point to the returns available to such companies.

Medco Solutions Ltd, incorporated by more medical equipment novices Ross and Luke Robertson from Abingdon in late March 2020, had by June won deals for £33m worth of face shields from a Swedish manufacturer and £50m of the cheap IIR masks from China. Its accounts for 2020 show it sitting on £12m cash and owing corporation tax of £3.65m, implying profits of around £18m for the year and a profit margin of more than 20 percent based on their known contracts.

The boys had done well. Not quite as well as the Ayanda crew, but it wasn't bad for a few weeks' work and would prove an entrée into the even more lucrative world of lateral flow tests. For these, Medco bagged contracts worth £388m in 2021. As with almost all other Covid contract winners, Medco wouldn't comment on its returns.

MARGIN CALL

IT IS only for a fairly narrow band of companies – usually those large enough to employ at least 50 staff and thus have to file income statements, while also having a limited business range – that accounts really lay out the results of the Covid gold rush. As the first Covid-period figures for these companies began to be filed at Companies House earlier this year, the *Eye* could start to report the corporate good times.

Meller Designs Ltd, a fashion company co-owned by Tory donor David Meller – last in the news for co-organising the President's Club dinner/gropefest and standing down as an adviser to the Department for Education – turned to PPE and transformed pre-pandemic profits of £182,000 into £16.4m on a seven-fold increase in profit margin. Meller and his brother and co-owner could extract the gains through a Jersey holding company set-up.

Supermax Healthcare Ltd, the UK arm of the Malaysian latex glove maker, boosted its turnover by 66 percent from just the first three months of a one-year PPE deal with a consortium of hospitals worth £312m. This lifted its profits six-fold and its profit margin nearly four times, whilst also, managing director Iain Crawford reported, providing a "phenomenally strong sales pipeline already in place for next year". (More recently, the source of Supermax's Malaysian-made products, and therefore its profits, began to look very dubious when US Customs banned them from the US as violating modern slavery laws.)

Crawford was candid about Covid's transformational effect on what had been a tough business. "The pre-Covid market

Continues over ☞

TOP TROUGHERS Ayanda's prize-winning profiteers

DOCUMENTS seen by *Private Eye* expose the eye-watering profits made on perhaps the most controversial PPE contract. They show three middlemen trousering around £64m, half of it by the man who can be crowned the UK's champion Covid profiteer.

The £252m worth of deals for face masks supplied by investment company **Ayanda Capital Ltd** have already been criticised because 50m of them couldn't be used as they had the wrong straps, while the fact that the contracts were brokered by an adviser to the government's Board of Trade prompted accusations of cronyism.

Now the *Eye* can reveal that last year the adviser in question, Andrew Mills, was paid a commission of £32.4m through the personal service company, Prospermill, that he jointly owns with his wife Caroline.

The payment – equivalent to the annual salaries of 1,000 nurses – arose under a "consortium agreement", also seen by the *Eye*, through which commissions would be paid not just to Mills's company Prospermill Ltd but also to an outfit called Milo Investments Ltd. This is the Mauritius-registered shell company that owns Ayanda Capital and is itself owned by Tim Horlick. His co-director in Milo is Harry Sutherland, founder of offshore company service provider Crossinvest and a fellow Old Etonian.

The consortium agreement appears to have been drawn up after Mills, a serial executive with a distinctly patchy CV, initially approached the Department of Health but then switched the supplier to Ayanda to take advantage of its international banking access.

Commission payments to Milo Investments are not known, but those to yet another executive's personal service company are. In July last year, Marlinspike Consulting Ltd earned £11.6m from Ayanda as commission on the deal. Marlinspike is owned by Horlick's co-director in Ayanda, 38-year-old South African Nathan Englebrecht, who is also the husband of Horlick's daughter Alice.

Ayanda Capital itself was left with 2020 pre-tax profits of £20.3m after paying these commissions (and research and development spending of £3m that looks unrelated to the PPE contract). All in all, the trio of Horlick, Mills and Engelbrecht have gained to the tune of at least £64m, plus whatever Horlick's Mauritius shell company may have received separately.

The men are none too keen for these riches to be known. Tim Horlick and Ayanda declined to answer the *Eye's* questions. Last October, Andrew Mills converted Prospermill Ltd into unlimited company Prospermill. Such companies don't have to file accounts, so Mills can keep the money tax-efficiently inside it without paying personal income tax at more than double the corporation tax rate *and* without revealing how much is in there.

Nathan Engelbrecht, meanwhile, executed another manoeuvre. Just before receiving his commission last July, he transferred the ownership of Marlinspike Consulting Ltd to another company called… Marlinspike Consulting Ltd. Since no two UK companies can have the same name, this must be offshore – though exactly where he wouldn't say. The move also enables him to hold the money tax-efficiently while not disclosing its amount.

Exactly what Mills and co did for their money isn't clear, although emails obtained by Good Law Project in taking the government to court over the deal showed insistent pressure from the businessman.

A couple of weeks before the deal was signed, Mills emailed the government PPE cell's "head of new supplier sourcing" Darren Blackburn, a deputy director from the Cabinet Office, to say that if the UK didn't sign up, the French were ready to take the supplies. (He didn't mention that this would mean saying "adieu" to his £32m commission.)

Blackburn forwarded Mills's message to colleagues with the request: "Can we expedite this one? It's a big opportunity and we are close to loosing [sic] it. Our contact has close ties to DIT [Department for International Trade] so wouldn't be a good outcome."

The commissions and profits show that Ayanda must have applied a hefty mark-up to what it paid Chinese company Zhende Medical for the PPE. Its prices to the British government certainly looked high as a consequence.

Ayanda's 65p for IIR type masks and £3.10 for the FFP2 variety significantly exceeded averages paid by the government over the pandemic of 40p and £2.50 respectively. The National Audit Office's report on procurement revealed that another much talked about supplier at the time, Pestfix, supplied FFP2 masks at £2.36 at around the same time as Ayanda's deal. There is no sign that the government questioned its mark-ups.

When parliament's public accounts committee looked at PPE procurement last year, one smaller PPE supplier wrote in to complain how his company had been muscled out and could have supplied masks far cheaper. "This is blatant profiteering from the pandemic," he alleged of Ayanda's deal. Oddly, it was not something the parliamentary scrutineers seemed bothered about. When they reported in January, profits – never mind profiteering – didn't feature. Cost rises were entirely ascribed to an "overheated global market". Perhaps it's time for a closer look at the little piggies who went to that market.

COVID CRUNCHING

£32.4m Payout for Andrew Mills for a few weeks' work on Ayanda's PPE contract

£1.4m Largest payout from National Lottery same week it was awarded remained highly competitive with margins always under pressure from competition," he reported – neatly summarising how markets *should* work – but "this has changed somewhat in recent months and the focus is simply on getting stock…" (Revealingly, he also mentioned "so many pop-up businesses trying to make a quick return on the back of Covid".)

Crawford's comments on margins showed that, while PPE prices at foreign factory gates had undoubtedly gone up, the frenzy had also allowed the middlemen to expand their takes. This is more than confirmed by the *Eye's* analysis of several companies' results, including those of all major suppliers where comparisons are possible (*see You Couldn't Mark It Up!, p32*). What's more, the increased margins to date understate the effect of Covid contracts as they also include less profitable pre-Covid business.

PURPLE PATCH

THE one deal on which hard information has emerged on the price paid for PPE by a supplier versus what it charged the government for the same PPE shows how easy it was to multiply factory gate prices.

When established Hertfordshire medical equipment company **Purple Surgical Ltd** sued the BVI-registered, Hong Kong-based company that should have been providing it

> Hancock's "top manufacturing priority" in fact turned out to mean relying on goods made in China

with 5 million respirator masks for it to sell on to the Department of Health, but didn't come up with the goods, court papers revealed telling financial details. Purple Surgical had agreed to pay the BVI company, enticingly named Win Billion Investment Group Ltd, \$27m (£22m) for them. This, of course, would already be far higher than the BVI company was paying the Chinese manufacturer.

Under a contract agreed in April 2020, Purple Surgical was then charging UK taxpayers £44.5m – or double its costs – for those masks (and, at about £9, significantly more per mask than the average for that type over the pandemic of £2.51). Company owner and chief executive Robert Sharpe told the *Eye* there were half a dozen "other intermediaries in the supply chain, all taking commission" from Purple Surgical and that his profit would have been substantially lower. The process, he said, was "highly undesirable, highly opaque".

When Purple Surgical recently filed accounts up to June 2020 (covering just the first three months of its Covid supplying), however, it emerged that Sharpe's company had still made trading profits of £2.2m *after* setting aside £24m for losses on its ill-starred entanglement with Win Billion. Of the £26.2m profit before the write-off, most had come from other immensely profitable Covid deals. Income from these of £71.5m had translated into gross profits, said Sharpe, of £24.8m. With no change in the company's typical admin costs for the year, it was clear that PPE would give Purple Surgical returns above 30 percent. Those "intermediaries" evidently weren't eating that much of his lunch – and he could console himself with the lion's share of a £2.5m dividend and the prospect that next year profits would be "significantly greater… as a result of the continued sale of PPE".

NOT EVERY LIDDELL HELPS

SCRUTINY of the Covid Klondike has not so far been searching. When the Commons public accounts committee had a superficial look at PPE procurement earlier this year, it failed to summon any of the suppliers who had sprung from nowhere to win large deals, inviting instead some older hands.

Iain Liddell, chief executive and founder of "the largest British supply chain operator in the world", Essex-based **Uniserve Ltd,** was certainly proud of his company's role, which had been to "manage all the PPE that was procured and get it to the UK [mainly from China]". This it achieved through a freight contract with the Department of Health put at £573m. And while it was at it, the company quickly found some PPE to supply in its own right for £304m.

With these deals part of a larger business, profits from them are conveniently lost in other numbers and Liddell wasn't inclined to help MPs understand what he was making from the Covid bonanza. When Labour's Nick Smith asked about profit margins on PPE, Liddell fobbed him off with the company's overall profit margin of 8.2 percent from more than 100 service lines. Told that the MPs were "specifically seeking an answer on PPE" – perhaps given that accidentally informative contract details for Uniserve-supplied facemasks implied a price double the average – Liddell continued to prevaricate. (Asked a similar question, the managing director of major supplier **Bunzl plc** said he did "not think this would be the right environment"; it was only parliament, after all.)

What can be seen from Uniserve's accounts for the 15 months to the end of June 2020, so containing just the first three months of Covid supplies and freight services, was an annualised turnover up 150 percent and profit margins more than doubled on the previous year. The upshot was that Liddell's holding company (owned by him and family members) could take a £20m dividend from the business.

There will be more to come, too, as the freight contract rolled on into this year. The more that emerged about the deal, the pricier it looked for the taxpayer. Official spending data showed that on top of freight costs, the government was also handing vast sums to Uniserve for "demurrage" and "detention", charges levied by shipping companies when freight companies don't get containers off the quayside or back to port in time. By July this year these totalled around £370m which, with charges per container running at up to £100 a day, meant *a lot* of delay.

After much question-dodging, a Uniserve spokesman said that its Covid contract margins varied, from 5 percent at their lowest

SECRET SQUIRRELS Small is beautiful when it comes to hiding Covid profits

CORPORATE secrecy is usually associated with shell companies in far-away tax havens concealing the nefarious business of tax dodgers, money launderers and kleptocrats. But the rules of the game here allow British winners of nine-figure Covid contracts to hide how much they're making from the taxpayer.

In August 2020, privately-owned, Sussex-based **Optigene Ltd**, for example, won a contract worth £323m to supply testing equipment and materials. While this made it one of the main testing suppliers, the profits it made from the deal last year cannot be known. When it filed accounts up to last November, company laws that were eased in the name of deregulation over recent decades meant it needed to file no income statement revealing its turnover, costs and profits at Companies House.

If a company meets two of three conditions – income under £10m, a balance sheet with less than £5m on it and 50 or fewer employees – it is considered "small" and doesn't have to submit an income statement. This has become a passport to secrecy for some major Covid winners. So long as they remove most of their not-so-hard-earned cash from their company before its accounting date, possibly into an offshore holding company, they will meet the latter two conditions and nobody need be any the wiser about income, profits or payments to executives and owners.

Existing suppliers that filed as small companies pre-Covid and may continue to do so even after big Covid wins include **P14 Medical Ltd** from Stroud, which won PPE deals worth £276m; and **Full Support Healthcare Ltd** in Northamptonshire, the largest single PPE supplier with contracts running to around £1.8bn.

These companies have also taken advantage of other opportunities to game the system. P14 Medical previously prepared its accounts to September. But then last year, it filed short accounts up to December 2019 and extended what would have been December 2020 accounts up to June this year. It will be well into next year before any figures covering the Covid contract are filed.

Full Support Healthcare, meanwhile, also extended what would have been March 2021 accounts, covering its PPE contract, by six months. The same half year delaying tactic, coincidentally, has been employed by the pest control company **Crisp Websites Ltd.**

Another publicity-shy winner, lateral flow test agent **Disruptive Nanotechnology Ltd,** used a sneakier trick. Altering its accounting date by one day (from 31 to 30 December) gives it an extra three months to file. Anyone would think they all had something to hide.

So while the *Times* could report the former Tory councillor behind P14 Medical, Steve Dechan, buying a new pile in the Cotswolds; and Sarah Stoute, owner of Full Support Healthcare, splashing out on a £6m mansion and a Bentley, the hard numbers behind these fortunes remain secret.

Several small companies approved to supply private testing have already drawn criticism from the Competition and Markets Authority for ripping off punters, but the rules of the accounting game mean we'll never know what profits they made by doing so.

Earlier this year Dame Margaret Hodge MP, chair of an all-party group on anti-corruption, challenged business secretary Kwasi Kwarteng to amend the law so recipients of large sums of public money had to provide full accounts. He wasn't interested.

PS: All the companies mentioned here were invited to disclose their Covid contract income and profits. None wished to do so.

NO COMPETITION How to price yourself a fortune

"THE interest of the dealers… is always in some respects different from, and even opposite to, that of the public," said Adam Smith nearly 250 years ago in making the case for open competition.

Not that the government doesn't understand the economics. The way to get "the best mix of quality and effectiveness for the least outlay…", says the Crown Commercial Service, "is through competition, unless there are compelling reasons to the contrary".

The theory is simple: a government buyer says what it wants and how much of the product it needs. Bidders know they need to quote a price that gives them a profit but has a good chance of beating their rivals. So they don't overdo it. A fair price results.

The Covid pandemic upended this, as suppliers simply quoted a price and, subject to flimsy checks, were paid under regulations waiving competition in emergencies. In many cases they inflated their margins, in others they applied mark-ups normally needed for smaller volumes to contracts that were orders of size higher.

A business buying masks in normal times for, say, £1m every year and selling them to the NHS supply chain for £2m might need the 100 percent mark-up to cover costs of shipping, warehousing, staff wages and office costs, etc of, say £900k – leaving a net profit of £100,000, or 5 percent of its income. But when the company suddenly has a bulk buyer for masks costing, say, £50m with few other extra costs, it doesn't need to charge the NHS £100m. If it does, its profit margin will leap from 5 percent to nearer 50 percent. A competent buyer would know this and secure a much lower price on such a large order.

In almost all large Covid contracts it was the government that paid the extra costs, mainly freight and storage – usually using Uniserve for the purpose, and took the risks. Ayanda Capital, for example, only had to get the masks it was supplying to Shanghai airport to bag its money. Fashion company Meller Design Ltd paid less in distribution costs earning £170m from PPE than it had done to move a tenth of this in fashionwear the previous year.

The senior NHS procurement veteran consulted by the *Eye* said: "For whatever reason, the government decided to pay vastly over the odds for what was basically a broker service with little risk borne by the intermediaries, and therefore worth low, single-digit, broker fees. Instead, they allowed themselves to be taken advantage of by so many chancers."

This expert is not alone in his view. Interviewed by BBC *Panorama* about PPE procurement, National Audit Office boss Gareth Davies acknowledged: "You can see that somebody somewhere has made a very large amount of money from these contracts." Yet, an NAO spokeswoman admitted to the *Eye*: "We didn't look into whether the Department [of Health] had assessed the profits of companies who were being awarded the contracts" – as government officials should have done under their procurement rules.

Davies declined to discuss the *Eye's* findings, leaving the impression that the small matter of how badly taxpayers have been shafted was just a bit too vulgar even for the public spending watchdog.

– but tellingly wouldn't give an upper figure. The results to date suggest that on average the figure works out at more than the company average 8.2 percent. But even this would mean more than £70m profit – all, through the family holding company, belonging to Liddell. There would be more if it were marking-up the detention and demurrage fees as it passed them on to taxpayers – a question which "isn't something Uniserve is able to answer I'm afraid".

OPERATION GRASP

IF THE cash was splashed on PPE, it was hosed equally liberally in the race to acquire tens of thousands of mechanical ventilators when scenes emerged of patients dying through lack of oxygen in northern Italy. Once again, a woeful absence of planning – with NHS England not even knowing how many ventilators it had – led to panic buying. In the event, existing stocks more or less did the job, but not before 26,000 ventilators had been acquired at a cost of £569m. Most are now in an MoD warehouse in Telford.

While government waited for a "ventilator challenge" domestic production programme to deliver, scores of orders were placed with suppliers who were, PPE-style, turning to Chinese manufacturers. Through March and April 2020, orders for mechanical ventilators from dozens of suppliers ran to £244m. Existing suppliers charged an average £14,603 per ventilator, whereas those from new suppliers came in at £26,486. One huge order, it emerged, accounted for this near doubling.

Excalibur Healthcare Services Ltd was the creation of medical entrepreneur, and controversial lender to New Labour, Sir Christopher Evans. Owned through yet another Isle of Man holding company, Ectoplasm Ltd, it had existed only for two and a half months when, in early April, it won an order to supply 2,700 ventilators from China at a cost of £135m. At £50,000 a piece (including transport costs), this worked out more than three times the average cost from other suppliers. Two weeks before, the health service had ordered 1,000 similar machines directly from the same Chinese manufacturer used by Excalibur, Beijing Aeonmed, but at less than a fifth of the price.

When the National Audit Office came to look at ventilator procurement, Excalibur explained that its charges, in the auditors' words, "reflected the price it had to pay to secure stock from China against the threat of being gazumped by buyers from other countries and… transporting ventilators from China at the height of global demand for ventilators".

Yet again, however, officials seem not to have asked the simple question of what the middleman was himself having to pay the Chinese and thus what Excalibur was making on the deal. It declined to tell the *Eye*, unsurprisingly. Nor did the public spending watchdogs who reviewed the ventilator buying programme query the government's failure to ask, just as it had overlooked this critical question on PPE procurement.

This was remarkable because on the rare Covid buying success story that the ventilator challenge was to prove, cost and profit control had been central. The largest contract had been with a company called **Penlon Ltd.** The Cabinet Office had allowed it a mark-up of 15 percent on its manufacturing costs (ie excluding other overheads and far less than earned by other suppliers). This was "based on an analysis of suppliers' current [ie pre-Covid] operating profit".

It was still considered "relatively high" given that an advisory team from the Ministry of Defence said that it normally looked for a mark-up of 8–10 percent on contracts awarded with no competition. But it showed what could be done to prevent excess profits even in an emergency.

Penlon produced 11,700 ventilators from scratch at just under £10,000 each. The company has yet to report its financial results for the period but it's already clear that it performed a significantly more difficult job than other suppliers of ventilators and PPE in return for far lower profits and thus at a much fairer price.

> "The one deal on which hard information has emerged on the price paid for PPE by a supplier versus what it charged the government for the same PPE shows how easy it was to multiply factory gate prices"

TRACER IRE

AS THE virus spread exponentially in early March last year, prime minister Boris Johnson and Matt Hancock decided that what limited systems there were for tracking it would be overwhelmed. They put a stop to mass testing and tracing before it had really begun. For thousands across the country, particularly in care homes, this proved fatal. But for another group, the consequences would be life-changing in happier ways.

The local public health services that would have been better equipped to trace contacts of people testing positive for Covid-19 had been decimated at around the same time that equipment buying had been mangled. The Health Protection Agency, with its regional laboratories, had been abolished in 2013 and responsibility passed to an ineffectual Public Health England in tandem with austerity-ravaged local authorities. So once it dawned on Hancock & co that tracking infections and containing outbreaks was indeed still essential, there was no viable local network to do the work. The answer was another buying behemoth: NHS Test & Trace.

Under the hapless leadership of Tory Baroness (Dido) Harding, the misnamed body (actually an agency of the Department of Health and Social Care) was handed a £22bn budget for its first year. With little expertise or manpower to call on, this was to be spent in the now time-honoured fashion for running a public service on outsourcing.

In return for no-to-mixed success over the following months, many of the *Eye's* favourite firms coined it. Project manager on the job,

Continues over ☞

> One ex-Big Four chartered accountant said that, even at what Deloitte insisted were discounted rates, it was charging a "massive mark-up"

setting up testing centres and digital platforms, was the accountancy-consultancy giant **Deloitte**. It was already embedded in the health department, organising the "surge" in testing before NHS Test and Trace was officially launched at the end of May last year. By March this year it had been awarded contracts worth £298m and had already been paid £174m for its troubles. As Test and Trace commercial director Jacqui Rock, brought in from the less than commercially astute MoD, and before that in investment banking, told a recent procurement conference: "We had a massive percentage of consultants which were just terrific [sic]; they built Test and Trace."

When Deloitte came to report its results for the year ended May 2021, Test and Trace, plus multiple other contracts on Covid procurement, financial support schemes and a handy £57m for providing staff to the Department of Health in 2020/21 helped generate a 55 percent increase in the firm's income from "government and public services". Up it shot from £329m to £665m (having already rocketed in 2019/20 on the back of early pandemic work), making its income from taxpayers larger than that of some government departments.

More than 1,000 of Deloitte's people were working on Test and Trace at one point, the largest division in an army of consultants costing taxpayers an average £1,000 a day *each* (with the highest daily rate a banker-level £6,624).

Not that the individual consultants would have been pocketing the quarter of a million pounds a year they were billed at (perhaps three or four times what a civil servant would cost). Most would have been on five-figure salaries (Deloitte's average staff pay, including pension and national insurance was £77,000, and the Test 'n' Tracers weren't especially senior). With further costs to the firm working out at about £20,000 a year per employee, charging out a typical staffer was generating five- or even six-figure amounts for the Deloitte partners' bottom lines.

One ex-Big Four chartered accountant told the *Eye* that even at what Deloitte insisted were discounted rates, it was charging a "massive mark-up" on its costs. As a result, incomes of its 700 partners rose 17 percent to an average £854,000. This was Covid fat cattery at its creamiest.

Deloitte's main partner on Test and Trace, overseeing the testing sites and ineffectual tracing service (largely sub-contracted to workers armed with hopeless telephone scripts) achieved similar rewards for something less than success. But then **Serco** was no stranger to public service foul-ups, including with Deloitte, its auditor, as a partner in crime. A year earlier, the latter had been fined £4m for "wholesale failure" in not spotting Serco cheating on tagging contracts a few years before with the Ministry of Justice.

Unshackled from that episode by a 2019 "deferred prosecution agreement" which allowed it to admit fraud but escape conviction, Serco could make a grab for the Covid cash. Its Test and Trace contracts ran to £623m by March 2021, contributing to Serco Group plc's 36 percent rise in profits for 2020.

The financial benefit of these deals is revealed by the accounts of the subsidiary company, Serco Ltd, which operated the contracts. Even after suffering absenteeism and higher costs, reported its directors, "the net impact of Covid-19 on the company has been to increase revenues by c. £400m and operating profits… by c. £24m". Pre-Covid, the company had either lost money (in 2017 and 2018) or made margins a fraction of that now achieved. Chief executive Rupert Soames's £5m pay, including nearly £4m in bonuses, was safe thanks to the pandemic.

There will be more jam tomorrow, too. When the company revealed drastically higher income and profits up 60 percent for the first half of 2021, Soames said that the pandemic had not only brought in the readies already but that "as a result of Covid-19 related contracts… our reputation with governments will be enhanced".

In March this year, MPs on the public accounts committee concluded that Test and Trace needed to "wean itself off its persistent reliance on consultants and temporary staff". It didn't. With Deloitte winning a new "phase 5" deal worth £123m that very month and a £424m contract extension agreed for Serco from June to November, addiction to outsourcing is a worrying symptom of long economic Covid.

COVID CRUNCHING

14% Pay rise for Deloitte partners in 2021 after adjusting for inflation at 3%

0% Pay rise for NHS workers after adjusting for inflation

TESTING THE LIMITS

AS HANCOCK tried to compensate for delay with new and unrealistic testing targets, the rush to find the necessary materials and laboratories generated a buying frenzy of PPE proportions. Ten months after the launch of Test and Trace, of the £14bn in contracts awarded on the programme, £12.7bn related to testing (including running the sites, the labs, equipment and testing materials). As with PPE, the prizes for the lucky winners were usually hidden, but those that could be glimpsed were equally glittering.

Supplying some of the first tests and lab facilities was Northern Ireland's well-connected **Randox Laboratories Ltd.** It employed Tory MP Owen Paterson as its £100,000-a-year adviser (in which role he was recently found to have broken lobbying rules, though not in relation to Randox's Covid work) and sponsored the Cheltenham Festival, run by the Jockey Club of which Harding was a board member. An initial £133m contract for Randox at the end of April turned into £480m worth in a year and a total now standing around £590m.

Randox attributed its success to having "recognised the threat from Covid-19 and quickly developed tests to accurately identify the virus". Company founder Dr Peter Fitzgerald also seems to have spotted the gravy train coming down the track, finding time during the critical early days of the pandemic for a corporate restructuring. On 10 March last year, Fitzgerald transferred the Randox group to a new holding company controlled by him and registered in the Isle of Man. The company wouldn't say what was behind the move.

When results came in for the period up to last June, covering just a few weeks of its Covid work, Randox Laboratories unveiled £50m in profits in the previous 18 months compared to £12m previously. It had doubled its profit margin and paid a £15.9m dividend to Fitzgerald's holding company. Randox, he said, "has been positively impacted by Covid" and, with the fruits of the big government contracts yet to fully ripen, "expects future trading results to reflect this…"

PCR spelt Plenty of Cash Realised for the other main testing players, too. **Eurofins Biomnis UK Ltd**, headquartered in Luxembourg but with labs across Europe and operating in Surrey through a UK company, won a host of contracts, culminating in a £58m deal as part of the autumn 2020 "surge" testing that involved collecting waste samples, sending them to Germany and reporting results back to the UK.

Despite delays and backlogs, it earned £111m in the year, compared with a turnover of just £1.7m the previous year. This immediately translated into £30m of profits at the kind of margin, 27 percent, a testing company could normally only dream of (most could expect single figure percentage margins). Director John O'Sullivan cheerfully admitted the returns "related exclusively to the [government] Covid contract work".

Even he could have been forgiven for casting an envious eye at Southampton-based PCR test developer **Primer Design Ltd**, however. Making up around 95 percent of its French parent company Novacyt's business and one of the first developers of PCR Covid tests, it was rewarded with an early £63m contract to supply assay kits for NHS labs. That was followed in September by a two-year, £406m deal to keep up the good work – or not so good work, as it may have been. When the company filed its 2020 accounts, what had been a meagre £5.5m turnover in 2019 had become £273m, of which £178m, or 65 percent, had turned into pure profit. And this was *after* bonuses of £8.5m and £3m

COVID CRUNCHING

£320m Cost to taxpayer of running HM Treasury in 2020/21

£501m Cost to taxpayer of running Department for International Trade 2020/21

£665m Cost to taxpayer of services from Deloitte in 2020/21 (not all Covid)

> PCR test technology wasn't new… and DNA sequencing to tailor it to Covid had already been cracked. Did the health department need to pay prices that gave Primer Design a profit margin double the world's most profitable company, Apple, and three times that achieved by Google?

COVID CRUNCHING

12.2% Average profit margin for established PPE companies in first period ending during the pandemic

3.7% Average profit margin before pandemic

for chief executive Graham Mullis and finance director Anthony Dyer respectively.

Developing PCR tests was clearly worth paying for. But the technology wasn't new; it had won its inventor a Nobel Prize in 1993, and the DNA sequencing required to tailor it to Covid treatments had already been cracked. Did the health department need to pay prices that gave Primer Design a profit margin double the world's most profitable company and creator of the most in demand "intellectual property", Apple, and three times that achieved by Google? Did it even bother to look at the profits this and other suppliers would be making? Again official incuriosity prevailed and the DHSC didn't answer the *Eye*'s questions on the matter.

LATERAL CASH FLOW

FOR SHEER unaccountable trousering potential, however, the real money was in another sort of test. It might have been clinically inferior, but for the right people lateral flow tests (LFTs), which give results pregnancy test-style with no lab needed, was far superior financially.

Looking to avoid further lockdowns as last winter approached, Boris Johnson proposed an "Operation Moonshot" mass population testing programme, which didn't come off. But the lateral flow tests that were nevertheless to be bought by NHS Test and Trace commercial director Jacqui Rock produced the largest single Covid contract beneficiary.

Like some of the priciest PPE deals, it went not to an established healthcare supplier but to wily entrepreneurs. **Innova Medical Group Inc** and their British helpers from **Disruptive Nanotechnology Ltd**, companies registered in Las Vegas and Northampton respectively, would test very positive for cash flow (*see Viva Las Vegas, below*).

Innova's success in securing contracts worth £3.3bn owed much to the indulgence of the medical authorities. Approved after tests at Public Health England's Porton Down labs showed over 70 percent "sensitivity" (the ability to correctly pick up positive cases), in the real world other studies suggested its tests were less reliable. Not that this prevented Innova advertising vastly higher rates for the products sourced from Xiamen Biotime Biotechnology in Fujian province, China. This June, US regulators withdrew the test's authorisation, citing dire quality control and pointing out what *Eye* 1536 had already revealed over here about misleading performance claims. Those who had bought Innova's products, said the US Food and Drug Administration, should "destroy the tests by throwing them in the trash".

Against this unconvincing picture of Innova's products, it would be good to know how much the company made and for providing what. Like so many others at the jammy end of the pandemic business, however, it would prefer British taxpayers not to know, declining to answer the *Eye's* questions. Likewise, the Department of Health refused the *Eye's* freedom of information request to say how many tests Innova and other LFT suppliers had delivered as this was "commercially sensitive" – generally considered a legitimate concern in competitive markets, which this was not.

What is known is that by 26 May this year, 691 million tests had been distributed by Test and Trace. The vast majority had been supplied by Innova, which by the same time had already received £2.5bn from the Department of Health. Although there were likely to have been more tests bought but undistributed, the numbers suggest Innova was charging a few pounds per test.

One lateral flow test developer that revealed its prices, Abingdon Health plc, said it charged £4.30 per test (excluding VAT). As Innova is likely to have been paying closer to £1 or £2 per test to the Chinese factory that makes them, according to one industry source, whilst selling to the UK government in China and so not bearing shipping costs, its profits could be approaching the magic ten-figure mark.

If Innova's returns were anything like those visible for the one provider that has filed figures, **Tanner Pharma UK Ltd**, the numbers will be impressive. Tanner Pharma's £188m income in 2020 (with more to come in 2021 on contracts valued at £450m in total) came almost entirely from supplying tests made by Zhejiang Orient Gene Biotech Co Ltd in China and translated into £50m of gross profits. After expenses including average pay for the firm's 20 staff of £245,000, more than tripling the previous year, this became net profit of £45.7m (a figure that will exceed nine figures if the profit rate persists on the rest of the contracts). It was a marked improvement on turnover below £3m and overall losses in previous years for the

Continues over ☞

COVID CRUNCHING

£3.85m Bonus for Serco chief executive in Covid year

£100 Average ex-gratia payments to 50,000 frontline staff in recognition of Covid contribution

> "The suppliers were just outstanding. They were rock stars… They were the reason Test and Trace was such a success"
>
> Jacqui Rock, NHS Test and Trace commercial director

> "Muddled, overstated, eye-wateringly expensive"
>
> Public accounts committee MPs give their verdict on NHS Test and Trace, October 2021

VIVA LAS VEGAS The big mystery behind the biggest earner

NO COMPANY in the history of British civil procurement has been paid so much by taxpayers so quickly as Innova Medical Group Inc. And rarely have a company and its earnings been shrouded in so much secrecy.

Innova was set up in March last year by obscure private equity group Pasaca Capital and its founder Charles Huang, a Hong Kong businessman. The best credential he can boast is that he "played a key role in the strategic alliance between China's Brilliance Group and MG Rover Group in the UK in 2002". As *Eye* 1536 revealed, a long-forgotten official report into the MG Rover debacle showed that nothing came of this alliance, its leaders did a flit and "Brilliance as a group of companies never had any intention of building motor vehicles with the company".

Both Pasaca and Innova operate from Pasadena, California, but are registered in regulation-lite Las Vegas, Nevada, where they can conceal their ownership and limit their directors' liabilities should things go wrong.

When Innova set up UK subsidiary company Innova Medical (UK) Operations Ltd this year, it claimed that this company's shares, and thus the whole Innova Group's, were ultimately owned by the group's lawyer Robert Kasprzak. This didn't look right and Innova was forced to correct the filing by the *Eye* (the lawyer is now said merely to have "significant influence or control"). The real beneficiaries of the Innova billons are still unknown.

Evidence from the US suggests, however, that the top suits are doing pretty nicely. In July, the *Los Angeles Times* reported senior executives including Huang looking at private estates and flashing an Innova bank statement showing $175m as proof they had the necessary dosh. Meanwhile, a couple of Gulfstream jets were taking them round the world flogging the companies' wares.

On these shores, future success won't be harmed by Innova's £10m funding of a new Pandemic Institute at the University of Liverpool. The same university had coincidentally put a very helpful slant on the results of trialling Innova's lateral flow tests in the city last year.

It's not clear why Innova and its evidently large source of lateral flow tests in China needed any particular introduction to the government. But this was the service provided by two businessmen, Kim Thonger and Charles Palmer, with backgrounds in the shoe and property trades respectively, operating via a moribund chemical company called Disruptive Nanotechnology Ltd. A spokesman told the *Eye* that, having met Innova through "a network of nanotech professionals", Disruptive Nanotechnology has "an introducer contract with Innova and receive[s] a commission for introducing clients". He wouldn't confirm or deny previous reports that the commission was a "few pence per test".

Thonger and Palmer may also be limiting how much they share with the taxman. Both set up personal holding companies to own their stakes in Disruptive Nanotechnology, enabling them to extract their profit shares without immediately paying higher rate personal tax. They didn't want to talk about this either.

company owned and run by aptly-named American businessman, Banks Bourne.

As with many PPE suppliers, companies such as Tanner and Innova were clearly acting as little more than brokers, while extracting far more than brokerage commissions.

LEAKY BUCKET

DESPITE the lavish deals handed to the likes of Innova, Deloitte and Serco, NHS Test and Trace underspent its colossal budget for 2020/21. The reasons, Baroness Harding told MPs this July, included a "large bucket" of £2.2bn in the form of "commercial savings, where we were able either to negotiate lower rates or to stop doing non-value-added work with various partners".

This sounded like an admission of over-paying and poses more questions about the rates Harding's team had initially agreed with the consultants and the price of the contracts thrown at suppliers. More recently, the sense of some cosy relationships between Test and Trace and its suppliers was hardly dispelled when commercial director Jacqui Rock – responsible for driving hard bargains – addressed her conference audience.

"The suppliers were just outstanding," she drooled. "They were rock stars without a doubt. Everything I asked of them they came forward and delivered. They were the reason Test and Trace was such a success." This wasn't quite the verdict reached by the public accounts committee this month: "Muddled, overstated, eye-wateringly expensive" was more like it. That the suppliers were enjoying record pay-outs for whatever they "delivered", good, bad or indifferent, might have had something to do with their enthusiasm.

OPEN SEASON

FROM the moment Covid was declared a pandemic in early March 2020, it was going to be expensive. But it didn't have to be the profiteer's charter it soon became.

Just as many health lessons need to be learned from the pandemic, so do some serious lessons about public spending. This requires being open about who earned how much for doing what.

Government must come clean about exactly what it bought with taxpayers' billions – whether the £14bn spent so far on PPE, the £19bn on Test and Trace or other multi-billion-pound Covid measures across government. It must also demand full and open accounting by the contract winners for their spoils. As the head of the National Audit Office himself wrote recently: "In emergency situations where the assurance provided by open competition is not available, it is even more important to provide prompt and full transparency to maintain public trust in how taxpayers' money is being used." The spending watchdog now needs to do more than talk a good game and get his teeth into the details.

The sliver of spending the *Eye* has been able to examine in the face of official and corporate secrecy suggests the Covid pandemic has spawned one of the greatest wastes of public money, running to many billions of pounds, in modern British history.

Public finances will never be immune to exploitation or waste, but with fuller accounting and accountability they can be given some protection in future crises from the levels of profiteering seen since this pandemic broke. The sacrifices made by so many demand nothing less. ■

GOVERNMENT BIG SPENDERS

The mandarins who oversaw the splashing of taxpayer cash

LORD (JAMES) BETHELL

Peer who went from running the Ministry of Sound nightclub to responsibility for unsound Covid procurement

LORD (PAUL) DEIGHTON

Brought in to oversee PPE 'parallel supply chain' that proved an unparalleled gravy train

ALEX CHISHOLM

Government chief operating officer who, as Covid profiteers filled their boots, told MPs he had achieved 'value for money'

GARETH RHYS WILLIAMS

Government chief commercial officer, who boasted to MPs last December how much PPE had been bought – with no word on cost

BARONESS (DIDO) HARDING

The Tory peer whose consultant-dependent NHS Test and Trace was handed a £22bn budget for its first year

JACQUI ROCK

NHS Test and Trace commercial director, who said: 'We had a massive percentage of consultants which were just terrific. They built Test and Trace.'

STEVE OLDFIELD (top) **& ED JAMES** (bottom)

The health department's commercial director and head of procurement who presided over the buying spree – and collected a CB and MBE respectively

YOU COULDN'T MARK IT UP!

How the good times rolled for some Covid winners…

COMPANY	Type of contract	Profit/(loss)[1] pre-Covid	Profit in first Covid period	Profit margin[2] pre-Covid	Profit margin first Covid period
Primer Design Ltd	Test kits and reagents	£1.3m	£178.2m	22.5%	65.3%
Randox Laboratories Ltd[3]	Testing	£12m	£50.3m	12.5%	27.8%
Eurofins Biomnis UK Ltd	Testing	- £1.6m	£30.2m	-96.7%	27.2%
Tanner Pharma UK Ltd	Lateral flow tests	- £0.7m	£45.7m	-23.4%	24.2%
Supermax Healthcare Ltd	PPE supply	£1.3m	£8m	5.1%	19.7%
Uniserve Ltd[4]	Freight and PPE supply	£6.3m	£46.4m	3.5%	8.3%
Polyco Healthline Ltd	PPE supply	£2.2m	£8.2m	2.9%	6.7%
Globus (Shetland) Ltd	PPE manufacture	£3.8m	£7.1m	7.6%	11.8%
Meller Designs Ltd	PPE supply	£0.2m	£16.4m	1.4%	9.6%
Don & Low Ltd	PPE manufacture	£0.7m	£14m	1.1%	17.5%
Serco Ltd	Test & trace outsourcing	£13m	£36.2m	0.9%	2%

1) Profit = operating profit excluding exceptional items 2) Profit margin = profit/sales
3) First post-Covid period covers 18 months 4) First post-Covid period covers 15 months