

CARECAPITAL (SOUTHAMPTON) LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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CARECAPITAL (SOUTHAMPTON) LIMITED

Company Information

| | |
|-----------------------------|--|
| Director | M J Sinclair |
| Company secretary | G S Pughe and H E A Clarke |
| Registered number | 06732272 |
| Registered office | Third floor 4 Tenterden Street London W1S 1TE |
| Independent auditors | RPG Crouch Chapman LLP Chartered Accountants & Statutory Auditors 62 Wilson Street London EC2A 2BU |

CARECAPITAL (SOUTHAMPTON) LIMITED

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CARECAPITAL (SOUTHAMPTON) LIMITED

Director's report For the Year Ended 31 December 2018

The director presents his report and the financial statements for the year ended 31 December 2018.

Principal activity

The company was dormant throughout the year.

Director

The director who served during the year was:

M J Sinclair

Liability insurance

The company has procured liability insurance for all directors and officers of the company. There are no outstanding claims or provisions at the balance sheet date.

Director's responsibilities statement

The director is responsible for preparing the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CARECAPITAL (SOUTHAMPTON) LIMITED

**Director's report (continued)
For the Year Ended 31 December 2018**

Disclosure of information to auditors

The director at the time when this Director's report is approved has confirmed that:

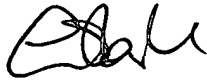
- so far as he is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, RPG Crouch Chapman LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the director has taken advantage of the small companies exemptions provided by section 415 of the Companies Act 2006.

This report was approved by the board on 25 July 2019 and signed on its behalf.



G S Pughe
Secretary

CARECAPITAL (SOUTHAMPTON) LIMITED

Independent auditors' report to the shareholders of Carecapital (Southampton) Limited

Opinion

We have audited the financial statements of Carecapital (Southampton) Limited (the 'Company') for the year ended 31 December 2018, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 2.1 in the financial statements, concerning the Company's ability to continue as a going concern. The Company is dependent upon financial support from its ultimate parent company, Advanced Oncotherapy plc. The ultimate parent company requires additional funding in order to meet its development plans. There are no binding agreements in place at this time and there is no certainty that the funding required by the Company will be secured within the necessary timescale. These conditions together with the other matters referred to in note 2.1, indicate the existence of a material uncertainty, which may cast significant doubt over the Company's ability to continue as a going concern. These financial statements do not include any adjustments that would result if the Company was unable to continue as a going concern. Our opinion is not modified in respect of this matter.

CARECAPITAL (SOUTHAMPTON) LIMITED

Independent auditors' report to the shareholders of Carecapital (Southampton) Limited (continued)

Other information

The director is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Director's report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Director's report and from the requirement to prepare a Strategic report.

CARECAPITAL (SOUTHAMPTON) LIMITED

Independent auditors' report to the shareholders of Carecapital (Southampton) Limited (continued)

Responsibilities of directors

As explained more fully in the Director's responsibilities statement on page 1, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

RPG Crouch Chapman LLP

Colin Turnbull (Senior statutory auditor)

for and on behalf of

RPG Crouch Chapman LLP

Chartered Accountants & Statutory Auditors

62 Wilson Street
London
EC2A 2BU

26 JUL 2019

CARECAPITAL (SOUTHAMPTON) LIMITED

**Statement of comprehensive income (incorporating the profit and loss account)
For the Year Ended 31 December 2018**

| | | 2018 £ | 2017 £ |
|---|---|-----------|------------------|
| Interest payable and expenses | 6 | - | (103,279) |
| Loss before taxation | | <u>-</u> | <u>(103,279)</u> |
| Loss for the year after taxation | | <u>-</u> | <u>(103,279)</u> |

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income (incorporating the profit and loss account).

There was no other comprehensive income for 2018 (2017:£NIL).

The notes on pages 9 to 13 form part of these financial statements.

CARECAPITAL (SOUTHAMPTON) LIMITED
Registered number: 06732272

Balance sheet
As at 31 December 2018

| | Note | 2018 £ | 2017 £ |
|--|------|--------------------|--------------------|
| Creditors: amounts falling due within one year | 9 | (1,578,691) | (1,578,691) |
| Net current liabilities | | (1,578,691) | (1,578,691) |
| Total assets less current liabilities | | (1,578,691) | (1,578,691) |
| Net liabilities | | (1,578,691) | (1,578,691) |
| Capital and reserves | | | |
| Called up share capital | 10 | 1,000 | 1,000 |
| Profit and loss account | 11 | (1,579,691) | (1,579,691) |
| | | (1,578,691) | (1,578,691) |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 July 2019.


M J Sinclair
Director

The notes on pages 9 to 13 form part of these financial statements.

CARECAPITAL (SOUTHAMPTON) LIMITED

**Statement of changes in equity
For the Year Ended 31 December 2018**

| | Called up share capital | Profit and loss account | Total equity |
|---------------------|------------------------------------|------------------------------------|---------------------|
| | £ | £ | £ |
| At 1 January 2018 | 1,000 | (1,579,691) | (1,578,691) |
| At 31 December 2018 | <u>1,000</u> | <u>(1,579,691)</u> | <u>(1,578,691)</u> |

**Statement of changes in equity
For the Year Ended 31 December 2017**

| | Called up share capital | Profit and loss account | Total equity |
|--|------------------------------------|------------------------------------|---------------------|
| | £ | £ | £ |
| At 1 January 2017 | 1,000 | (1,476,412) | (1,475,412) |
| Comprehensive income for the year | | | |
| Loss for the year | - | (103,279) | (103,279) |
| At 31 December 2017 | <u>1,000</u> | <u>(1,579,691)</u> | <u>(1,578,691)</u> |

The notes on pages 9 to 13 form part of these financial statements.

CARECAPITAL (SOUTHAMPTON) LIMITED

Notes to the financial statements For the Year Ended 31 December 2018

1. General information

Carecapital (Southampton) Limited is a limited liability company incorporated in England. The registered office is Third floor, 4 Tenterden Street, London, W1S 1TE.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The figures have been rounded to the nearest pound.

The accounts have been prepared on a going concern basis on the basis that the ultimate parent company Advanced Oncotherapy plc will continue to provide financial support to the company for the next 12 months.

The company is dependent on its ultimate parent company, Advanced Oncotherapy plc for financial support which they have confirmed they will provide. The Company has made a loss of £Nil (2017: £103,279) and has net current liabilities of £1,578,691 (2017: £1,578,691). The directors regularly review cash flow forecasts of the ultimate parent company to determine whether the ultimate parent company has sufficient cash reserves to meet its future working capital requirements and development plans. The ultimate parent company's plans indicate that they need to raise further finance and the Directors are confident based on past history of successful fundraising and discussions with investors that the Group will be successful in raising these funds. Additionally, they consider they can defer settlement of creditors, reduce short term expenditure and obtain short-term finance should there be any delay in completing any such fundraising to allow continuance of their plans. They therefore consider it appropriate to prepare the Company's financial statements on a going concern basis.

However, as at the date of approval of these financial statements, there are no legally binding agreements in place in relation to any fundraising and as the success of any finance raising is outside the control of the company and is thus considered to be a material uncertainty. There can be no certainty that additional funds will be forthcoming which indicates the existence of a material uncertainty which may cast doubt about the Company's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

CARECAPITAL (SOUTHAMPTON) LIMITED

Notes to the financial statements For the Year Ended 31 December 2018

2. Accounting policies (continued)

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Advanced Oncotherapy plc as at 31 December 2018 and these financial statements may be obtained from Level 17, Dashwood House, 69 Old Broad Street, London, EC2M 1QS.

2.3 Creditors

Short term creditors are measured at the transaction price less amounts repaid.

2.4 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.5 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences can be deducted.

Deferred tax assets and liabilities are not discounted.

CARECAPITAL (SOUTHAMPTON) LIMITED

Notes to the financial statements For the Year Ended 31 December 2018

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Judgements

There are no judgements that are considered to have a significant effect on the amounts recognised in the financial statements.

Estimates

There are no key assumptions concerning the future or other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Auditors' remuneration

Auditor's remuneration is disclosed the group financial statements of Advanced Oncotherapy plc, the ultimate parent company.

5. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2017 - £NIL).

6. Interest payable and similar charges

| | 2018 £ | 2017 £ |
|-----------------------------|-----------|----------------|
| Other loan interest payable | - | 103,279 |
| | <u>-</u> | <u>103,279</u> |

CARECAPITAL (SOUTHAMPTON) LIMITED

**Notes to the financial statements
For the Year Ended 31 December 2018**

7. Taxation

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2017 - *lower than*) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

| | 2018 £ | 2017 £ |
|---|-----------|-----------|
| Profit on ordinary activities before tax | - | (103,279) |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%) | - | (19,881) |
| Effects of: | | |
| Unrelieved tax losses carried forward | - | 19,881 |
| Total tax charge for the year | - | - |

Factors that may affect future tax charges

At the year end the company has a potential deferred tax asset of £93,310 (2017: £104,287) as analysed in note 8. This has not been recognised on the grounds of future uncertainty regarding the timing of the recovery of the tax losses.

8. Potential deferred tax

| | 2018 £ | 2017 £ |
|----------------------------|-----------|-----------|
| Tax losses carried forward | 93,310 | 104,287 |
| | 93,310 | 104,287 |

9. Creditors: Amounts falling due within one year

| | 2018 £ | 2017 £ |
|------------------------------------|-----------|-----------|
| Amounts owed to group undertakings | 1,578,691 | 1,578,691 |
| | 1,578,691 | 1,578,691 |

CARECAPITAL (SOUTHAMPTON) LIMITED

Notes to the financial statements For the Year Ended 31 December 2018

10. Share capital

| | 2018 £ | 2017 £ |
|---|--------------|--------------|
| Allotted, called up and fully paid | | |
| 1,000 Ordinary shares of £1 each | <u>1,000</u> | <u>1,000</u> |

Ordinary shares carry full voting rights and rights to a dividend.

11. Reserves

Profit & loss account

The profit and loss account reserve represents all current and prior periods retained profits and losses.

12. Ultimate controlling party and related party transactions

The company's immediate parent company is Carecapital Limited. The ultimate parent company is Advanced Oncotherapy plc, a company incorporated in Great Britain and registered in England.

The company has taken advantage of the exemptions available under paragraph 33.1A of Financial Reporting Standard 102, not to disclose any transactions or balances with entities that are 100% controlled by Advanced Oncotherapy plc.

The smallest and largest group into which the results of the company are consolidated is Advanced Oncotherapy plc. These financial statements are available to the public and may be obtained from the registered office at Level 17, Dashwood House, 69 Old Broad Street, London, EC2M 1QS.