

Xstrahl Group Limited

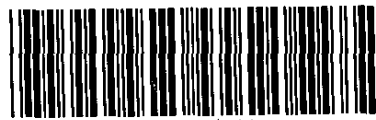
Report and Unaudited Financial Statements

Year Ended

31 December 2019

Company Number 09763820

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Xstrahl Group Limited

Company Information

Directors	A Treverton P L Viner
Registered number	09763820
Registered office	The Coliseum Watchmoor Park Riverside Way Camberley Surrey GU15 3YL

Xstrahl Group Limited

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Xstrahl Group Limited

Directors' report For the year ended 31 December 2019

The directors present their annual report and the unaudited financial statements of Xstrahl Group Limited ("the company") for the year ended 31 December 2019.

Principal activities

The principal activity of the company is that of a holding company of a trading group.

Going concern

The financial statements have been prepared on a going concern basis, the validity of which depends upon the support of the company's parent undertaking, Xstrahl Group Holdings Limited. The parent undertaking has indicated that it will continue to make available such funds as are needed by the company and in particular will not seek repayment of the amounts currently made available unless the company has sufficient cash to make such a repayment.

The directors consider that this support will enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment.

The directors of the company have considered cash flow projections for a period including 12 months from the date of approval of these financial statements, taking into account the support of its parent, and remain confident that the company is able to continue trading for a period of at least 12 months from the date of approval of these financial statements.

The parent undertaking's support is based on detailed cash flow forecasts prepared for the group headed by Xstrahl Group Holdings Limited (the "group") for the forthcoming twelve months from the date of approval of these financial statements. The group's directors consider that they will have sufficient cash resources available to support the group's and the company's liabilities as they fall due. These cash flow forecasts and re-forecasts are prepared regularly as part of the business planning process. These forecasts have been analysed in the light of the Covid-19 outbreak, subjected to stress testing, scenario modelling and sensitivity analysis, which the group consider sufficiently robust.

As part of this assessment, the group's directors performed a "reverse stress test" in order to model a scenario to identify the adequacy of the group's cash resources as a whole to fund all of the various parts of the group for the next twelve months. This scenario modelled the impact of a second wave of Covid-19 and assumed a large number of forecast and expected system sales did not occur. In performing this exercise, cash resources were more than adequate and there was no breach of the group covenants.

The company's parent company has Vendor Loan Notes due for repayment on 8 March 2022. The directors are in early stage discussions on various options available to refinance the loan notes and as no re-financing solution has been agreed the directors recognise the liquidity risk that this presents for the group and therefore a material uncertainty exists in this regard. However, these financial statements do not include any adjustments that would be necessary should the parent company be unable to provide the necessary support for a period of at least twelve months from the date of approval of these financial statements.

Based on the above the directors have prepared these financial statements on a going concern basis.

Directors

The directors who held office during the year and up to the date of signing of the financial statements were as follows:

A Treverton
P L Viner

Xstrahl Group Limited

Directors' report (continued) For the year ended 31 December 2019

Statement of directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Post balance sheet events

Covid-19

In December 2019, a novel coronavirus strain Covid-19 emerged globally. On 11 March 2020, the World Health Organisation declared the novel coronavirus strain a global pandemic and recommended containment and mitigation measures worldwide. In response, governments imposed restrictions on the movement and gathering of individuals. As of the date of signing these financial statements the operations of the company have been curtailed due to the restrictions imposed and in force. The impact on the going concern assessment has been considered above and in note 2 up to the date of signing of these financial statements. As a result no further adjustments are deemed necessary in respect of this matter.

United Kingdom leaving the European Union

The United Kingdom formally left the European Union on 31 January 2020 and is currently in a transitional period which is due to end on 31 December 2020. During the transitional period negotiations regarding future arrangements with the European Union continue and as a result there is a large amount of uncertainty regarding the future. The directors have considered the impact on the financial statements up to the date of signing and do not consider any adjustments are required in respect of this matter.

In preparing this report, the directors have taken advantage of the small companies' exemptions.

This report was approved by the board and signed on its behalf by:



P L Viner
Director

Date: 23 December 2020

Xstrahl Group Limited

Chartered accountants' report to the board of directors on the preparation of the unaudited financial statements of Xstrahl Group Limited for the year ended 31 December 2019

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Xstrahl Group Limited for the year ended 31 December 2019 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

It is your duty to ensure that Xstrahl Group Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of Xstrahl Group Limited. You consider that Xstrahl Group Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Xstrahl Group Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Use of our report

This report is made solely to the board of directors of Xstrahl Group Limited, as a body, in accordance with the terms of our engagement letter dated 17 July 2018. Our work has been undertaken solely to prepare for your approval the financial statements of Xstrahl Group Limited and state those matters that we have agreed to state to the board of directors of Xstrahl Group Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Xstrahl Group Limited and its board of directors as a body for our work or for this report.



BDO LLP
Chartered Accountants
Reading
United Kingdom
Date: 23 December 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Xstrahl Group Limited

Statement of comprehensive income For the year ended 31 December 2019

	Note	2019 £	2018 £
Administrative expenses		(11,679)	(8,289)
Other operating income		11,961	-
Operating profit/(loss)		282	(8,289)
Interest payable and expenses		-	(2,736)
Profit/(loss) on ordinary activities before taxation		282	(11,025)
Taxation on profit/(loss)		-	-
Profit/(loss) on ordinary activities and total comprehensive expense for the financial year		282	(11,025)

All amounts relate to continuing activities.

The notes on pages 6 to 12 form part of these financial statements.

Xstrahl Group Limited
Registered number: 09763820

Balance sheet
As at 31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Investments	5	5,176,599	5,176,599
Current assets			
Debtors: amounts falling due within one year	6	2,033,035	2,006,987
Cash at bank and in hand		758	7,570
		<u>2,033,793</u>	<u>2,014,557</u>
Creditors: amounts falling due within one year	7	<u>(2,251,537)</u>	<u>(2,232,583)</u>
Net current liabilities		(217,744)	(218,026)
Total assets less current liabilities		4,958,855	4,958,573
Net assets		4,958,855	4,958,573
Capital and reserves			
Called up share capital		5,000,000	5,000,000
Profit and loss account		(41,145)	(41,427)
Shareholder's funds		4,958,855	4,958,573

The directors consider that the company is entitled to exemption from audit under section 479A of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

P L Viner
Director



Date: 23 December 2020

The notes on pages 6 to 12 form part of these financial statements.

Xstrahl Group Limited

Notes to the financial statements For the year ended 31 December 2019

1. General information

Xstrahl Group Limited is a private company limited by shares, incorporated and domiciled in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the directors' report on page 1.

2. Accounting policies

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland Section 1A Small Entities ("FRS 102 Section 1A") and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 Section 1A requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

Exemption from preparing consolidated financial statements

The financial statements contain information about Xstrahl Group Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption conferred by section 400 of the Companies Act 2006 not to produce consolidated financial statements as it is included in EEA group accounts of a larger group (see note 10).

Going concern

The financial statements have been prepared on a going concern basis, the validity of which depends upon the support of the company's parent undertaking. The parent undertaking has indicated that it will continue to make available such funds as are needed by the company and in particular will not seek the repayment of the amounts currently made available unless the company has sufficient cash to make such a repayment.

The directors consider that this support will enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment.

The directors of the company have considered cash flow projections for a period including 12 months from the date of approval of these financial statements, taking into account the support of its parent, and remain confident that the company is able to continue trading for a period of at least 12 months from the date of approval of these financial statements.

The parent undertaking's support is based on detailed cash flow forecasts prepared for the group headed by Xstrahl Group Holdings Limited (the "group") for the forthcoming twelve months from the date of approval of these financial statements. The group's directors consider that they will have sufficient cash resources available to support the group's and the company's liabilities as they fall due. These cash flow forecasts and re-forecasts are prepared regularly as part of the business planning process. These forecasts have been analysed in the light of the Covid-19 outbreak, subjected to stress testing, scenario modelling and sensitivity analysis, which the group consider sufficiently robust.

Xstrahl Group Limited

Notes to the financial statements For the year ended 31 December 2019

2. Accounting policies (continued)

Going concern (continued)

As part of this assessment, the group's directors performed a "reverse stress test" in order to model a scenario to identify the adequacy of the group's cash resources as a whole to fund all of the various parts of the group for the next twelve months. This scenario modelled the impact of a second wave of Covid-19 and assumed a large number of forecast and expected system sales did not occur. In performing this exercise, cash resources were more than adequate and there was no breach of the group covenants.

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Based on the above the directors have prepared these financial statements on a going concern basis.

The following principal accounting policies have been applied:

Finance costs

Finance costs are charged to profit or loss 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.

Xstrahl Group Limited

Notes to the financial statements For the year ended 31 December 2019

2. Accounting policies (continued)

Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Fixed asset investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Financial instruments

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than its legal form.

The company's cash at bank and in hand, amounts owed by and to group undertakings, trade creditors, other creditors and accruals are measured initially at the transaction price, including transaction costs, and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

Operating leases: the company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

Xstrahl Group Limited

Notes to the financial statements For the year ended 31 December 2019

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

In preparing these financial statements, the directors have had to make the following judgements:

- Determination of whether there are indicators of impairment of the company's fixed asset investments. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

The company's directors are of the opinion that there are no other judgements and no estimates or assumptions that have a significant risk of causing material adjustment to the carrying value of assets and liabilities for the company within the next financial year.

4. Employees

The average monthly number of employees, including directors, during the year was 2 (2018: 2).

5. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 January 2019	5,176,649
Disposals	(50)
At 31 December 2019	<u>5,176,599</u>
Impairment	
At 1 January 2019	50
Impairment on disposals	(50)
At 31 December 2019	<u>-</u>
Net book value	
At 31 December 2019	<u><u>5,176,599</u></u>
At 31 December 2018	<u><u>5,176,599</u></u>

Xstrahl Group Limited

Notes to the financial statements For the year ended 31 December 2019

5. Fixed asset investments (continued)

The disposal relates to the investment in Gamma Technologies Limited which was dissolved on 11 March 2019.

An impairment review has been carried out by the directors at 31 December 2019. The directors are of the opinion that the carrying values of the above fixed asset investments do not need to be impaired at the year end (2018: £50).

Subsidiary undertakings

The company holds more than 20% of the share capital in the following companies:

Company	Aggregate of share capital and reserves 31 December 2019 £	Profit/(loss) 31 December 2019 £	Proportion of voting rights and ordinary share capital held %
Xstrahl Limited ⁽¹⁾	5,889,950	143,315	100%
Oncotherapy Resources Limited ⁽¹⁾	(1,970,785)	1,980	100%
Xstrahl GmbH ⁽²⁾	(207,737)	13,341	100%
Photoelectrical Therapy Limited ⁽¹⁾	1	-	100%
Gulmay Medical Limited ⁽¹⁾	1	-	100%
Xstrahl Oncology Services Limited ⁽¹⁾	100	-	100%

⁽¹⁾registered office is The Coliseum Watchmoor Park, Riverside Way, Camberley, Surrey, GU15 3YL

⁽²⁾registered office is c/o Josef-Schappe-Str. 21, 40882 Ratingen

6. Debtors: amounts falling due within one year

	2019 £	2018 £
Amounts owed by group undertakings	2,019,119	2,006,987
Other debtors	1,955	-
Prepayments and accrued income	11,961	-
	<u>2,033,035</u>	<u>2,006,987</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

Xstrahl Group Limited

Notes to the financial statements For the year ended 31 December 2019

7. Creditors: amounts falling due within one year

	2019 £	2018 £
Amounts owed to group undertakings	2,242,197	2,225,379
Other taxation and social security	-	427
Other creditors	-	1,477
Accruals and deferred income	9,340	5,300
	<u>2,251,537</u>	<u>2,232,583</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

8. Guarantees

The former ultimate controlling party, the Estate of the late Mr M C Robinson, holds a fixed and floating charge over the assets of the company in respect of Vendor Loan Notes issued on the sale of shares to Xstrahl Group Holdings Limited on 8 March 2018.

9. Commitments under operating leases

At 31 December 2019 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	-	25,400
Later than 1 year and not later than 5 years	-	31,176
	<u>-</u>	<u>56,576</u>

All costs are borne by operating subsidiaries on an annual basis.

10. Ultimate parent undertaking and controlling party

The company is a wholly owned subsidiary of Xstrahl Group Holdings Limited, which is the immediate and ultimate parent company. The smallest group in which the results of the company are consolidated is that headed by Xstrahl Group Holdings Limited. The address of Xstrahl Group Holdings Limited's registered office is The Coliseum, Watchmoor Park, Riverside Way, Camberley, Surrey, England, GU15 3YL. Consolidated financial statements for Xstrahl Group Holdings Limited are available from Companies House.

The ultimate controlling party is Mr L O Johnson.

Xstrahl Group Limited

Notes to the financial statements For the year ended 31 December 2019

11. Post balance sheet events

Covid-19

In December 2019, a novel coronavirus strain Covid-19 emerged globally. On 11 March 2020, the World Health Organisation declared the novel coronavirus strain a global pandemic and recommended containment and mitigation measures worldwide. In response, governments imposed restrictions on the movement and gathering of individuals. As of the date of signing these financial statements the operations of the company have been curtailed due to the restrictions imposed and in force. The impact has been considered in the directors' report and in note 2. No further adjustments are deemed necessary in respect of this matter.

United Kingdom leaving the European Union

The United Kingdom formally left the European Union on 31 January 2020 and is currently in a transitional period which is due to end on 31 December 2020. During the transitional period negotiations regarding future arrangements with the European Union continue and as a result there is a large amount of uncertainty regarding the future. The directors have considered the impact on the financial statements up to the date of signing and do not consider any adjustments are required in respect of this matter.