Cell Therapy Catapult Services Limited

Annual Report and Financial Statements

Registered number 08215513

For the year ended 31 March 2017



Company Information

Directors	KJ Thompson MB Durdy
Registered Number	08215513
Registered Office	12th Floor, Tower Wing Guy's Hospital Great Maze Pond London SE1 9RT
Independent Auditors	KPMG LLP Quayside House 110 Quayside Newcastle Upon Tyne NE1 3DX

Contents

Directors' Report	1
Statement of directors' responsibilities in respect of the Annual Report and the Financial Statements	2
Independent auditor's report to the members of Cell Therapy Catapult Services Limited	3
Profit and Loss Account	5
Statement of Comprehensive Income	5
Balance Sheet	6
Statement of Changes in Equity	7
Notes	8

Directors' Report

The directors present their Directors' Report and Financial Statements for the year ended 31 March 2017.

Principal activities

Cell Therapy Catapult Services Limited principal activity is to provide commercial research and collaboration services to the cell and gene therapy industry.

Business review and results

Cell Therapy Catapult Services Limited has continued to develop relationships in the cell and gene therapy industry and has ongoing contracts with a growing customer base for the provision of commercial research and collaborative services.

Turnover for the period was £1,572,000 *(2016: £1,276,000)* with a profit before tax of £310,000 *(2016: £404,000)*.

Directors

The directors who held office during the period were as follows:

KJ Thompson
MB Durdy

Political contributions

The Company made no political donations and incurred no political expenditure during the current or prior period.

Disclosure of information to auditor

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, all relevant audit information has been disclosed, made available or brought to the attention of the company's auditor; and that they have taken all reasonable steps to establish that the Company's auditor has been made aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board

K J Thompson
Director

12th Floor, Tower Wing
Guy's Hospital
Great Maze Pond
London
SE1 9RT

12 July 2017

Statement of directors' responsibilities in respect of the Annual Report and the Financial Statements

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 period. Under that law they have elected to prepare company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

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 their profit or loss of the company for that period. In preparing the company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

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

KPMG LLP
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX
United Kingdom

Independent auditor's report to the members of Cell Therapy Catapult Services Limited

We have audited the financial statements of Cell Therapy Catapult Services Limited for the year ended 31 March 2017 set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of the company's profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' report:

- we have not identified material misstatements in that report; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of Cell Therapy Catapult Services Limited *(continued)*

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies exemption in preparing the directors' report and in not preparing a strategic report.



12 July 2017

Rachel Fleming (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX

Profit and Loss Account
for the year ended 31 March 2017

	Note	2017 £000	2016 £000
Turnover	2	1,572	1,276
Operating expenses		(1,170)	(797)
Operating profit		402	479
Interest receivable and similar income	3	-	19
Interest payable and similar charges	4	(92)	(94)
Profit on ordinary activities before taxation	2-6	310	404
Tax on profit on ordinary activities	7	(80)	(96)
Profit for the financial period		230	308

Statement of Comprehensive Income
for the year ended 31 March 2017

	2017 £000	2016 £000
Profit for the financial period	230	308
Other comprehensive income for the period	-	-
Total comprehensive income for the period	230	308

Balance Sheet

as at 31 March 2017

	Note	2017 £000	£000	2016 £000	£000
Current Assets					
Debtors	9	**1,305**		825	
Cash at bank and in hand	10	**83**		-	
			1,388		825
Creditors: amounts falling due within one year	11	**(837)**		(504)	
			(837)		(504)
Net assets			**551**		321
Capital and reserves					
Share Capital	12		-		-
Profit and loss account			**551**		321
			551		321

These Financial Statements were approved by the Board of directors on 12 July 2017 and were signed on its behalf by:

K J Thompson
Director

Registered number 08215513

Statement of Changes in Equity

for the year ended 31 March 2017

	Share capital £000	Profit and loss account £000	Total equity £000
As at 1 April 2015	-	13	13
Total comprehensive income for the period			
Profit	-	308	308
Total comprehensive income for the period	-	308	308
As at 31 March 2016	-	**321**	**321**
As at 1 April 2016	-	321	321
Total comprehensive income for the period			
Profit	-	230	230
Total comprehensive income for the period	-	230	230
As at 31 March 2017	-	**551**	**551**

Notes
(forming part of the Financial Statements)

1 Accounting policies

Cell Therapy Catapult Services Limited (the "Company") is a private company incorporated, domiciled and registered in England in the UK. The registered number is 08215513 and the registered address is 12th Floor, Tower Wing, Guy's Hospital, Great Maze Pond, London, SE1 9RT.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (*"FRS 102"*) as issued in August 2014. The amendments to FRS 102 issued in July 2015 have been applied. The presentation currency of these financial statements is sterling.

The Company's parent undertaking, Cell Therapy Catapult Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Cell Therapy Catapult Limited are prepared in accordance with FRS 102 and are available to the public and may be obtained from 12th Floor, Tower Wing, Guy's Hospital, Great Maze Pond, London, SE1 9RT. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Cell Therapy Catapult Limited include the disclosures equivalent to those required by FRS 102, the Company has also taken the exemptions available in respect of the following disclosure:

- Certain disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 14.

1.1 Measurement convention

The Financial Statements are prepared on the historical cost basis.

1.2 Going concern

Cell Therapy Catapult Services Limited is a wholly owned subsidiary of Cell Therapy Catapult Limited. Cell Therapy Catapult Limited is committed to supporting Cell Therapy Catapult Services Limited for at least the next 12 months.

The directors are confident that the company's financial statements should be prepared on a going concern basis on the grounds that current and potential sources of funding or support will be adequate for the company's needs.

1.3 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Notes *(continued)*

1 Accounting policies *(continued)*

1.4 Financial instruments

Trade and other debtors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Trade and other creditors

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs.

Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

1.5 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

1.6 Turnover

Turnover represents licence fee income and the sale of services net of value added tax. Sales of services are recognised when the company obtains the rights to consideration. Any non cash consideration is measured at fair value.

1.7 Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes *(continued)*

2 Turnover

	2017 £000	2016 £000
Commercial income	1,572	1,276
Total turnover	1,572	1,276

Analysis of turnover by geographical area

	2017 £000	2016 £000
Analysis by geographical area is as follows:		
UK	496	123
US	558	656
Rest of the world	518	497
	1,572	1,276

3 Interest receivable and similar income

	2017 £000	2016 £000
Foreign exchange gains	-	19

4 Interest payable and similar income

	2017 £000	2016 £000
Net loss on financial assets measured at fair value through profit or loss	88	94
Foreign exchange losses	4	-
	92	94

The above net loss on financial assets arose on the disposal of shares which were received as consideration for services provided by the Company to a customer.

Notes *(continued)*

5 Expenses and auditor's remuneration

All auditor's remuneration is borne by the parent company Cell Therapy Catapult Limited and is disclosed in the Group financial statements. No recharges are made for these services during the current or prior period.

6 Staff numbers and costs

The company did not employ any staff during the current or prior period.

All staff costs are borne by the parent company Cell Therapy Catapult Limited and are disclosed in the financial statements of that company. Appropriate recharges for salary costs are made to Cell Therapy Catapult Services Limited.

7 Taxation

Total tax expense recognised in the profit and loss account.

	2017 £000	£000	2016 £000	£000
UK corporation tax				
Current tax on income for the period	**37**		96	
Group relief payable	**43**		-	
Total current tax		**80**		96
Deferred tax				
Origination of timing differences	-		-	
Total deferred tax		-		-
Total tax		**80**		96

Reconciliation of effective tax rate

	2017 £000	2016 £000
Profit for the period	**230**	308
Total tax expense	**80**	96
Profit excluding taxation	**310**	404
Tax using the UK corporation tax rate of 20%	**62**	81
Non-deductible expenses	**18**	19
Income not taxable for tax purposes	-	(4)
Group relief claimed	**(43)**	(96)
Payment for group relief	**43**	96
Total tax expense included in profit or loss	**80**	96

Notes *(continued)*

8 Directors' remuneration

All directors' remuneration is borne by the parent company Cell Therapy Catapult Limited and is disclosed in the Group financial statements.

No recharges are made for the services of directors. None of the directors received any remuneration for their services to the Company during the current or prior period.

9 Debtors

	2017 £000	2016 £000
Trade debtors	263	427
Amouts owing from parent company	999	276
Accrued income	43	98
Corporation tax debtor	-	24
Due within one year	1,305	825

10 Cash and cash equivalents

	2017 £000	2016 £000
Cash in bank and in hand	83	-

11 Creditors: amounts falling due within one year

	2017 £000	2016 £000
Trade creditors	-	63
Other taxes and social security	9	-
Deferred income	736	441
Corporation tax	92	-
	837	504

12 Called up share capital

	2017 £	2016 £
Called up, allotted and fully paid		
1 Ordinary share of £1 each	1	1

Notes *(continued)*

13 Ultimate parent company and controlling party

The Company is a subsidiary undertaking of Cell Therapy Catapult Limited.

100% of the issued share capital of this company is directly owned by Cell Therapy Catapult Limited; a company limited by guarantee, incorporated in Great Britain and registered in England and Wales. The group accounts of Cell Therapy Catapult Limited can be obtained from 12th Floor, Tower Wing, Guy's Hospital, Great Maze Pond, London, SE1 9RT.

The largest and smallest group in which the results of the Company are consolidated is that headed by Cell Therapy Catapult Limited. No other group financial statements include the results of the Company.

14 Accounting estimates and judgements

The preparation of financial statements requires the Directors to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets and liabilities, and income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The key areas requiring the use of estimates and judgements which may significantly affect the financial statements are considered to be:

Measurement of revenue recognised on service contracts

The nature of the services that the company provides requires that an assessment is performed at each period end on a contract by contract basis as to the stage of completion of the project and the anticipated profit margin to be achieved on the contract. The amount of revenue recognised reflects the accrual of the right to consideration by reference to the value of the work performed. This requires judgement to assess the total costs of a project and the stage of completeness of this work.

Recoverability of trade debtors and amounts recoverable on contracts

An assessment as to the ability of the company to recover trade debtors and amounts recoverable on contracts at each financial period end. A provision is made for any amounts that are not considered to be recoverable. Due to the nature of this provision an estimate is made as to the amounts that will be recoverable which involves judgement based on knowledge of the customer and the level of uncertainty as to whether the company has sufficient funds to pay these amounts.