

SOUTHAMPTON ASSET MANAGEMENT LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

For the year ended 31st July 2018

Registered Number: 04367489



SOUTHAMPTON ASSET MANAGEMENT LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

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SOUTHAMPTON ASSET MANAGEMENT LIMITED

Registered Number: 04367489

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST JULY 2018

The Directors present their report and the audited financial statements of the Company for the year ended 31st July 2018.

PRINCIPAL ACTIVITIES

The Company operates as a holding company for investments in new technology arising from original research work at the University of Southampton.

RESULTS

The Company's profit after tax for the year was £63,160 (2017: £1,082,547 loss), and cumulative profit and loss account surplus was £867,548 (2017: £804,388). Retained earnings (distributable reserves) show a deficit of £196,070 (2017: 103,171)

During the year there were no new investments (2017: no new investments).

The fair value of unquoted investments, as disclosed in the balance sheet, is £57,714 (2017: £137,242). Using British Venture Capital Association (BVCA) rules, at 31st July 2018, excluding share options (see note 7), the Company's unquoted investments were valued at £1,328,159 (2017: £1,718,118). It should be noted that BVCA valuations for unquoted shares are indicative based upon the purchase price per share at the latest fundraising round as adjusted for subsequent events, and that this price may not be sustained in future funding rounds.

GOING CONCERN

The Company considers the going concern basis appropriate for the preparation of the financial statements as the operations of the Company will continue to be supported by its Ultimate Parent Undertaking, the University of Southampton for a minimum of 12 months from the approval of the financial statements.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

At the end of the financial year investments were held in a number of companies as set out in note 7 to the financial statements. The Company will continue to act as an investment holding company, and seek new investments where appropriate.

EVENTS AFTER THE BALANCE SHEET DATE

There are no events subsequent to 31 July 2018 impacting the Company's financial statements.

RISK MANAGEMENT OBJECTIVES

The company believes there is limited exposure to liquidity, cash flow, credit and price risks as the company does not actively trade and receives support from its ultimate parent, University of Southampton. Its main business risk is from a decline in the value of its investment portfolio in companies spun out of University of Southampton. The portfolio of investments in spinout companies for the group is monitored by the Southampton Enterprise Board which comprises of the directors of the holding companies and other relevant personnel from the University of Southampton. This board is a University committee which ultimately reports to the University Executive Board and Council on an annual basis.

DIRECTORS AND THEIR INTERESTS

The Directors who served since the start of the year to the date of signing were as follows:-

Mr D L Spalinger (Chairman)
Ms S C Pook
Mr I D Dunn

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DIRECTORS' REPORT (continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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), 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 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 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 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.

STATEMENT OF DISCLOSURE TO AUDITOR

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

In preparing the Directors' Report the Directors have taken advantage of the relevant exemptions available to small companies under the Companies Act 2006. The Directors have also taken advantage of the small companies exemption from the requirement to prepare a strategic report.

This report was approved by the Board of Directors on 4th April 2019.



J M Baker
Company Secretary

University of Southampton
Highfield
Southampton
SO17 1BJ

SOUTHAMPTON ASSET MANAGEMENT LIMITED

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTHAMPTON ASSET MANAGEMENT LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion the financial statements of Southampton Asset Management Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31st July 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of financial position;
- the statement of changes in equity;
- the related notes 1 to 14.

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).

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 auditor's 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 UK, including the Financial Reporting Council's (the 'FRC'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.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

SOUTHAMPTON ASSET MANAGEMENT LIMITED

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTHAMPTON ASSET MANAGEMENT LIMITED (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the directors' report, other than the financial statements and our auditor's 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 respect of these matters.

Responsibilities of Directors

As explained more fully in the statement of directors' responsibilities, the directors are 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 directors determine 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 directors are 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOUTHAMPTON ASSET MANAGEMENT LIMITED (continued)

Report on other legal and regulatory requirements

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

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 any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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 take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

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 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.



Craig Wisdom (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

St Albans, United Kingdom

Date: 5 April 2019

SOUTHAMPTON ASSET MANAGEMENT LIMITED

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INCOME STATEMENT FOR THE YEAR ENDED 31ST JULY 2018

	Note	2018 £	2017 £
TURNOVER		-	-
Profit on disposal of investment		-	810
Administrative expenses		(13,546)	(9,920)
		<hr/>	<hr/>
OPERATING LOSS		(13,546)	(9,110)
		<hr/>	<hr/>
Impairment of investment		(79,528)	-
Interest receivable and similar income		175	151
Unrealised Gain/(Loss) on Continuing Investments at Fair Value		188,024	(1,293,480)
		<hr/>	<hr/>
PROFIT/(LOSS) BEFORE TAXATION	3	95,125	(1,302,439)
Taxation (charge)/credit	6	(31,965)	219,892
		<hr/>	<hr/>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		63,160	(1,082,547)
		<hr/>	<hr/>

All activities of the Company are continuing operations. There are no items of other comprehensive income and therefore no such additional statement is provided.

The notes on pages 10 to 15 form part of these financial statements.

SOUTHAMPTON ASSET MANAGEMENT LIMITED

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STATEMENT OF FINANCIAL POSITION AS AT 31ST JULY 2018

	Note	2018 £	2017 £
NON-CURRENT ASSETS			
Investments	2(d),7	1,339,954	1,231,458
CURRENT ASSETS			
Cash and cash equivalents		205,209	215,052
TOTAL CURRENT ASSETS		205,209	215,052
CURRENT LIABILITIES: Amounts falling due within one year	8	(459,666)	(456,138)
NET CURRENT LIABILITIES		(254,457)	(241,086)
TOTAL ASSETS LESS CURRENT LIABILITIES		1,085,497	990,372
PROVISIONS FOR LIABILITIES			
Taxation, including deferred taxation	9	(217,849)	(185,884)
NET ASSETS		867,648	804,488
CAPITAL AND RESERVES			
Called-up share capital	10	100	100
Retained Earnings		(196,070)	(103,171)
Non-distributable reserves		1,063,618	907,559
SHAREHOLDER'S FUNDS		867,648	804,488

SOUTHAMPTON ASSET MANAGEMENT LIMITED

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STATEMENT OF FINANCIAL POSITION AS AT 31ST JULY 2018 CONTINUED

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.

These financial statements were approved and authorised for issue by the Board of Directors on 4th April 2019 .

Signed on behalf of the board of directors



Sarah Pook
Director

The notes on pages 10 to 15 form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST JULY 2018

	Called-up share capital	Retained earnings	Non- distributable reserves	Total Equity
Balance at 1st August 2016	100	(94,212)	1,981,147	1,887,035
Profit/(loss) for the year	-	(8,959)	(1,073,588)	(1,082,547)
Balance at 31st July 2017	100	(103,171)	907,559	804,488
Balance at 1st August 2017	100	(103,171)	907,559	804,488
Profit/(loss) for the year	-	(92,899)	156,059	63,160
Balance at 31st July 2018	100	(196,070)	1,063,618	867,648

SOUTHAMPTON ASSET MANAGEMENT LIMITED

Registered Number: 04367489

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2018

1. STATUTORY INFORMATION

Southampton Asset Management Limited is a company registered in England and Wales, registration number 04367489. The registered office is Finance Department Building 37, University of Southampton, Southampton, Hampshire, SO17 1BJ. Southampton Asset Management Limited is a private company limited by shares.

2. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material to the Company's financial statements.

(a) Critical accounting judgements

The company makes a critical judgement in applying accounting policy (d) in relation to its unquoted equity instruments. The company believes that for the unquoted equity instruments it holds that there is no active market and hence these equity instruments cannot be measured reliably. During the financial year, three of the companies in which we hold unquoted equity instruments have had share transactions. The company has assessed whether these unquoted equity instruments should be fair valued to reflect that price, but has concluded this is not a reliable measurement as these companies are still early stage and the future probability is still highly uncertain.

The impact of applying a fair value to the three investments with share transactions during the period would be to increase the value of those three unquoted equity instruments from a cost of £185 to a fair value of £669,239.

(b) Key accounting estimates

There are no key accounting estimates in the financial statements.

(c) Basis of preparation

These financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards on a going concern basis and under historical cost convention. The going concern basis is considered appropriate by the Directors, despite the shareholder's deficit, because of the continued commitment of support from the Ultimate Parent Undertaking, who will make available sufficient funds to enable the company to continue for at least twelve months from the financial statements signing date.

The financial statements are presented in Sterling (£).

(d) Investments

Investments comprise investments in quoted equity instruments and unquoted equity instruments. Quoted equity instruments are measured at fair value and changes in fair value are recognised in profit or loss. Our unquoted equity instruments cannot be measured reliably, and are carried at cost less impairment.

(e) Taxation

Current tax is recognised for the amount of tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date except as otherwise indicated. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

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NOTES TO THE FINANCIAL STATEMENTS - 31ST JULY 2018 (continued)

2. ACCOUNTING POLICIES CONTINUED

(e) Taxation continued

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the statement of financial position date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

3. PROFIT/(LOSS) BEFORE TAXATION

	2018	2017
	£	£
The profit/(loss) before taxation is stated after charging:		
Auditors' remuneration for auditing the financial statements	8,100	4,680
Changes in fair value of investments	188,024	1,293,480

The auditors provided no other services during the financial year.

4. DIRECTORS' EMOLUMENTS

The directors of the company are employed by the University of Southampton, which pays them for services they provide to the University. The services they provide for the company are incidental to this role, and as such the remuneration receivable by the directors in respect of qualifying services to the company is nil (2017: nil).

5. EMPLOYEES

There were no employees during the year (2017: none). The University of Southampton charged £3,787 (2017: £3,850) in respect of administrative assistance provided.

The only key management personnel identified are the Directors who received no emoluments, as identified in note 4.

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NOTES TO THE FINANCIAL STATEMENTS - 31ST JULY 2018 (continued)**6. TAXATION**

	2018 £	2017 £
Current tax charge	-	-
Deferred tax:		
Origination and reversal of timing differences	35,726	(254,374)
Effect of changes in tax rates	(3,761)	34,482
Total Deferred Tax	<u>31,965</u>	<u>(219,892)</u>
Total tax per income statement	<u>31,965</u>	<u>(219,892)</u>

Factors affecting tax charge for the year

The UK corporation tax rate reduced from 20% to 19% with effect from 1st April 2017, and accordingly, the company's profits for this accounting period are taxed at a rate of 19% (2017: 19.67%).

From 1st April 2020 the UK corporation tax rate will fall to 17%. This change was enacted at the balance sheet date and has been reflected in the calculation of deferred tax balances.

The charge for the year can be reconciled to the profit per the income statement as follows:

Profit/(Loss) for the year	<u>95,125</u>	<u>(1,302,439)</u>
Tax on profit at standard UK tax rate of 19.00% (2017: 19.67%)	18,074	(256,134)
Effects of:		
Expenses not deductible	15,112	
Effects of group relief/other reliefs	2,540	1,779
Gains/rollover relief etc	-	(19)
Tax rate changes	(3,761)	34,482
Tax charge/(credit) for the year	<u>31,965</u>	<u>(219,892)</u>
Deferred tax (assets)/liabilities:		
Provision at end of period	185,884	405,777
Deferred tax charge/(credit) to income statement for the period	<u>31,965</u>	<u>(219,893)</u>
Provision at end of period	<u>217,849</u>	<u>185,884</u>

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NOTES TO THE FINANCIAL STATEMENTS - 31ST JULY 2018 (continued)

7. FIXED ASSET INVESTMENTS

	Listed investments £	Unquoted investments £	Total £
Carrying value before impairment			
At 1st August 2017	1,094,216	373,153	1,467,369
Additions	-	-	-
Disposals	-	-	-
Movement in the fair value of listed investments	188,024	-	188,024
	<u>1,282,240</u>	<u>373,153</u>	<u>1,655,393</u>
At 31st July 2018	<u>1,282,240</u>	<u>373,153</u>	<u>1,655,393</u>
Provisions for impairment			
At 1st August 2017	-	235,911	235,911
Impairment	-	79,528	79,528
Reversal of impairment	-	-	-
Disposals	-	-	-
	<u>-</u>	<u>315,439</u>	<u>315,439</u>
At 31st July 2018	<u>-</u>	<u>315,439</u>	<u>315,439</u>
Carrying value	<u>1,282,240</u>	<u>57,714</u>	<u>1,339,954</u>

Listed investments represent investments in ordinary shares. The fair value of listed investments was determined with reference to the quoted market price at the reporting date. The cost of the shares on acquisition was £2,178,185.

Other investments represent investments in unquoted shares. Other investments are held at cost less impairment as their fair value cannot be measured reliably.

	Proportion of voting rights and share capital held:		Financial Year End	Business
	Excluding future options	Including future options		
Arkivum Ltd	4.20%	3.60%	31st December	Long term data archiving
Boxarr Ltd	1.60%	1.35%	31st December	Critical path software
Capsant				
Neurotechnologies Ltd	3.07%	2.73%	31st December	Neurological protection
Covesion Ltd	11.62%	10.75%	31st December	R&D on natural science & engineering
Ilika plc	2.33%	2.19%	30th April	Combinatorial chemistry
iQur Ltd	1.57%	1.51%	31st March	Hepatitis
Karus Therapeutics Ltd	0.65%	0.60%	31st December	Cancer & inflammatory disorders
Perpetuum Ltd	2.68%	2.31%	31st December	Harvesting power
Stadium Ventures	0.00%	0.00%	31st July	Holding Company
Symetrica Ltd	1.66%	1.54%	30th September	Radiation detection
Synaigen plc	3.94%	3.65%	31st December	Respiratory disorders

All companies are incorporated in the United Kingdom.

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NOTES TO THE FINANCIAL STATEMENTS - 31ST JULY 2018 (continued)

8. LIABILITIES - AMOUNTS FALLING DUE WITHIN ONE YEAR	2018	2017
	£	£
Amounts owed to group undertakings	450,336	450,336
Other creditors	9,330	5,802
	<u>459,666</u>	<u>456,138</u>
Amounts owed to group undertakings are repayable on demand and do not incur interest charges.		
9. PROVISIONS FOR LIABILITIES	2018	2017
	£	£
Deferred tax liability as at 1st August	185,884	405,776
Charge/(credit) for the year	31,965	(219,892)
Deferred tax liability as at 31st July	<u>217,849</u>	<u>185,884</u>
10. CALLED-UP SHARE CAPITAL	2018	2017
	£	£
Authorised:-		
'A' Ordinary shares of £1	800	800
'B' Ordinary shares of £1	200	200
	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid:-		
'A' Ordinary shares of £1	80	80
'B' Ordinary shares of £1	20	20
	<u>100</u>	<u>100</u>

The 'A' and 'B' Ordinary shares rank *pari passu* in all respects except:-

(a) Income - the 'B' shareholders shall not be entitled to any dividend or distribution which would otherwise be payable, or other distributable profits which have arisen in the Company or any asset of the Company, to the extent that the same forms part of, or is made out of, the 'A' Fund, and such dividend or profits may only be paid to the holders of 'A' shares.

(b) Capital - on a winding up, reconstruction or other occasion on which there is any return or repayment of capital, including distributions *in specie* and including any such distribution as may be made by a liquidator under the Insolvency Act 1986, the holders of the 'A' shares shall be exclusively entitled to have distributed to them, or their nominees, either all the 'A' Fund or all the consideration (whether paid in cash, loan notes or securities) paid or payable by purchasers to the Company in respect of the 'A' Fund or, in the case of a transfer or sale of any of the 'A' Fund where the Insolvency Act 1986 applies, such securities (whether shares, loan notes or debentures) or other consideration as may be due to the Company or the liquidator thereof in consideration of the transfer or sale of the 'A' Fund.

Subject to the above, in the winding up of the Company, the surplus assets shall be divided amongst the Members *pari passu*.

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NOTES TO THE FINANCIAL STATEMENTS - 31ST JULY 2018 (continued)

11. PARENT UNDERTAKING

The Company's parent undertaking is the University of Southampton, a body corporate incorporated by Royal Charter in England, which is the smallest and largest group of which the entity is a member. The group accounts of the University of Southampton and its subsidiary undertakings are available to the public and may be obtained from the University of Southampton, Highfield, Southampton, SO17 1BJ.

12. CASH FLOW STATEMENT

The financial statements of the University of Southampton for the year ended 31st July 2018 contain a consolidated statement of cash flows. The Company has been given permission by its shareholders to take advantage of the exemption granted by Financial Reporting Standard 102 Section 1.12 (b) whereby it is not required to publish its own cash flow statement.

13. FINANCIAL INSTRUMENTS

The Company has taken advantage of the exemption provided by Financial Reporting Standard 102 Section 1.12 (c) in relation to specified paragraphs of Section 11 and Section 12, relating to Financial Instruments, on the basis that the equivalent disclosures required are included in the consolidated financial statements of the group.

14. RELATED PARTY TRANSACTIONS

The Company has been given permission by its shareholders to take advantage of the exemption provided by Financial Reporting Standard 102 Section 1.12 (e) not to disclose transactions with entities that are part of the University of Southampton Group.