

Company Registration No. 07055288 (England and Wales)

**RICANTO LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**  
**PAGES FOR FILING WITH REGISTRAR**

# **RICANTO LIMITED**

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# RICANTO LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2019

		2019		2018 as restated	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	3		640		1,094
Investments	4		6,914		16,729
			<u>7,554</u>		<u>17,823</u>
<b>Current assets</b>					
Debtors	6	498,994		478,505	
Cash at bank and in hand		1,689		4,351	
		<u>500,683</u>		<u>482,856</u>	
<b>Creditors: amounts falling due within one year</b>	7	(547,511)		(531,458)	
<b>Net current liabilities</b>			<u>(46,828)</u>		<u>(48,602)</u>
<b>Total assets less current liabilities</b>			<u>(39,274)</u>		<u>(30,779)</u>
<b>Capital and reserves</b>					
Called up share capital	8		300		300
Profit and loss reserves			<u>(39,574)</u>		<u>(31,079)</u>
<b>Total equity</b>			<u>(39,274)</u>		<u>(30,779)</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 31 March 2021 and are signed on its behalf by:

Dr A Clarke  
Director

Company Registration No. 07055288

# **RICANTO LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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### **1 Accounting policies**

#### **Company information**

Ricanto Limited is a private company limited by shares incorporated in England and Wales. The registered office is 10 Station Road, Henley on Thames, Oxfordshire, RG9 1AY. The business address is Century House, Wargrave Road, Henley on Thames, Oxfordshire, RG9 2LT.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

At the year end, the Company had net liabilities of £39,274. However, the directors have undertaken a review of the business particularly in light of Covid-19 and taken appropriate action to ensure the Company has access to suitable funding for at least 12 months from the approval of these financial statements and accordingly the accounts have been prepared on a going concern basis.

#### **1.3 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

#### **1.4 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	15% reducing balance
Computer equipment	3 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### **1.5 Fixed asset investments**

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

# **RICANTO LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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### **1 Accounting policies**

**(Continued)**

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### **1.6 Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### **1.7 Cash and cash equivalents**

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### **1.8 Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

# RICANTO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies

(Continued)

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

### 1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# RICANTO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 1 Accounting policies

(Continued)

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.11 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### **1.12 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2019 Number	2018 Number
Total	2	2
	<u>          </u>	<u>          </u>

# RICANTO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 3 Tangible fixed assets

	Plant and machinery etc
	£
<b>Cost</b>	
At 1 January 2019 and 31 December 2019	8,271
<b>Depreciation and impairment</b>	
At 1 January 2019	7,177
Depreciation charged in the year	454
At 31 December 2019	7,631
<b>Carrying amount</b>	
At 31 December 2019	640
At 31 December 2018	1,094

### 4 Fixed asset investments

	2019 £	2018 £
Other investments other than loans	6,914	16,729

#### Movements in fixed asset investments

	Investments other than loans £
<b>Cost or valuation</b>	
At 1 January 2019	16,729
Valuation changes	(9,815)
At 31 December 2019	6,914
<b>Carrying amount</b>	
At 31 December 2019	6,914
At 31 December 2018	16,729

### 5 Financial instruments

	2019 £	2018 £
<b>Carrying amount of financial assets</b>		
Instruments measured at fair value through profit or loss	6,914	16,729



## RICANTO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

#### 6 Debtors

	2019	2018
	£	£
Amounts falling due within one year:		
Corporation tax recoverable	2,797	2,797
Other debtors	496,197	475,708
	<u>498,994</u>	<u>478,505</u>

#### 7 Creditors: amounts falling due within one year

	2019	2018
	£	£
Corporation tax	117,663	117,247
Other creditors	429,848	414,211
	<u>547,511</u>	<u>531,458</u>

#### 8 Called up share capital

	2019	2018
	£	£
Ordinary share capital Issued and fully paid		
300 Ordinary shares of £1 each	300	300

#### 9 Related party transactions

US3 Partnership LLP is a related party in which a director is a designated member. At the start of the year, US3 Partnership LLP owed the Company £142,511. During the year, the Company paid expenses of £3,536 (2018: £1,423) on behalf of the LLP. At the year end, US3 Partnership LLP owed the Company £146,047.

Renown Pharma Inc. is a related party by virtue of common directors. At the start of the year, Renown Pharma Inc. owed the the Company £331,838. During the year, the Company paid expenses on behalf of Renown Pharma Inc. of £17,326 (2018: £27,850). At the year end, Renown Pharma Inc. owed the Company £349,164.

Renown Pharma Limited is a related party by virtue of common directors. At the start of the year, the Company owed Renown Pharma Limited £152,499. During the year, the Company paid expenses on behalf of Renown Pharma Limited of £2,407 (2018: £2,023). At the year end, the Company owed Renown Pharma Limited £145,864, after accounting for a foreign exchange gain of £4228 (2018: loss of £8,621).

#### 10 Directors' transactions

At the start of the year, the Company owed the directors £74,986. During the year, the directors introduced funds of £25,712 (2018: £26,807), and made withdrawals of £1,239 (2018: £1,768). At the year end, the Company owed the directors £99,459.

# RICANTO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 11 Prior period adjustment

#### Changes to the balance sheet

	As previously reported	Adjustment at 1 Jan 2018	Adjustment at 31 Dec 2018	As restated at 31 Dec 2018
	£	£	£	£
<b>Fixed assets</b>				
Investments	-	-	16,729	16,729
<b>Current assets</b>				
Debtors due within one year	475,708	(12,662)	15,459	478,505
Investments	-	173,767	(173,767)	-
<b>Creditors due within one year</b>				
Taxation	-	(104,586)	(12,661)	(117,247)
Net assets	66,942	56,519	(154,240)	(30,779)
	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>
<b>Capital and reserves</b>				
Profit and loss	66,642	56,520	(154,241)	(31,079)
	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>

#### Changes to the profit and loss account

	As previously reported	Adjustment	As restated
	£	£	£
<b>Period ended 31 December 2018</b>			
Amounts written off investments	-	(157,038)	(157,038)
Taxation	-	2,797	2,797
Loss for the financial period	(13,966)	(154,241)	(168,207)
	<u>        </u>	<u>        </u>	<u>        </u>

During the preparation of the accounts for the year ended 31st December 2019 an error was identified which related to a consultancy agreement dated 17th September 2015 and covered the period from 17 September 2015 through to 31st December 2016. Whilst the Company provided consultancy services under the terms of the agreement, invoices were never actually issued and the Company was never in receipt of payments for these services provided. In total £522,574 of income relating to this period has not been recognised in the accounts and the amount remained unpaid at 31st December 2016.

On 18th July 2017 the Company signed a settlement agreement to accept shares in exchange for the amounts due to the Company. Accordingly the debtor was converted to 176,418 shares in Achieve Life Sciences Inc. in a debt to equity swap worth £617,173, which was subsequently revalued to £173,767 at 31st December 2017. On 24th May 2018 a reverse stock split occurred and 17,642 shares were revalued at 31st December 2018 to £16,729. The amounts are so material to the proper understanding of the accounts for the year ended 31st December 2018 that they have therefore been treated as a prior year adjustment. The net effect on the results for the year ended 31st December 2018 is an additional loss of £154,241.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.