

Company Registration No. 03232899 (England and Wales)

MMODAL LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



MMODAL LIMITED

COMPANY INFORMATION

Directors	Ms S Semerciyan L Bradley	(Appointed 1 April 2021)
Company number	03232899	
Registered office	3M Centre Cain Road Bracknell RG12 8HT	
Auditor	Kendall Wadley LLP Granta Lodge 71 Graham Road Malvern Worcestershire WR14 2JS	
Bankers	HSBC Bank plc 1 Church Street Malvern Worcestershire WR14 2AB	

MMODAL LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2
Directors' responsibilities statement	3
Independent auditor's report	5 - 7
Statement of comprehensive income	4
Balance sheet	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to the financial statements	11 - 19

MMODAL LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present the strategic report for the year ended 31 December 2020.

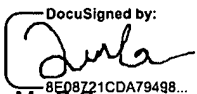
Fair review of the business

The company was dormant during the year ended 31 December 2020.

Development and performance

The company was purchased on 1 February 2019 by 3M which saw the integration of MModal into 3M systems and processes on 1 November 2019. There are no future plans for development of this entity.

On behalf of the board

DocuSigned by:

8E08721CDA79498...
Ms S Semerciyan
Director

Date: 23-Sep-2021 | 17:12 BST

MMODAL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their annual report and financial statements for the year ended 31 December 2020.

Principal activities

The principal activity of the company ceased during the year ended 31 December 2019, and the company is now dormant.

Results and dividends

The results for the year are set out on page 4.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

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

Ms S Semerciyan

Mr S F Evans

L Bradley

(Resigned 1 April 2021)

(Appointed 1 April 2021)

Auditor

Kendall Wadley LLP, were appointed auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

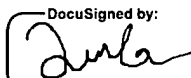
Energy and carbon report

As the company has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the director has taken all the necessary steps that he ought to have taken as director in order to make himself aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

DocuSigned by:

6E08721CDA79498
Ms S Semerciyan
Director

Date: 23-Sep-2021 | 17:12 BST

MMODAL LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

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). 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The 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.

MMODAL LIMITED**STATEMENT OF COMPREHENSIVE INCOME**
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Turnover	3.	-	3,680,151
Cost of sales		-	(2,026,220)
Gross profit		-	1,653,931
Administrative expenses		-	(140,367)
Operating profit	4	-	1,513,564
Interest receivable and similar income	6	-	18,185
Profit before taxation		-	1,531,749
Tax on profit	7	-	(24,876)
Profit for the financial year		-	1,506,873

The profit and loss account reflects the activities of the company that ceased with effect from 1 November 2019.

MMODAL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MMODAL LIMITED

Opinion

We have audited the financial statements of MModal Limited (the 'company') for the year ended 31 December 2020 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *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 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

MMODAL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF MMODAL LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities and fraud

- an understanding of the risk assessment process (including the assessment of the risk of fraud) adopted by the Board is obtained and their attitude to risk ascertained
- an assessment of the susceptibility to material mis-statement of the financial statements as a result of management over-ride or fraud is made
- it is ensured that the engagement team have, collectively, the appropriate competence, capabilities and skills to be involved in the assignment, are fully briefed and understand the risks specific to the company

MMODAL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF MMODAL LIMITED

Audit response to risks identified

- processes to test the outcomes of our assessment include, a review of Board minutes, and analytical review, agreement of inter-company balances, information disclosed in the financial statements is traced to supporting documentation. In all instances it is acknowledged that material mis-statements that arise from fraud may involve deliberate concealment or collusion and are, therefore, by their very nature harder to detect than those arising from error.
- an understanding of the legal and regulatory framework as applicable to the company is obtained, here only the Companies Act 2006.
- it is established if there have been any instances of non-compliance with the foregoing legislation.

It should be noted that Auditing standards limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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.



Elizabeth Needham ACA CTA (VAT) (Senior Statutory Auditor)
For and on behalf of Kendall Wadley LLP

Date: 23 September 2021

Chartered Accountants
Statutory Auditor

Granta Lodge
71 Graham Road
Malvern
Worcestershire
WR14 2JS

MMODAL LIMITED**BALANCE SHEET****AS AT 31 DECEMBER 2020**

	Notes	2020 £	£	2019 £	£
Current assets					
Debtors	9	9,879,841		6,866,054	
Creditors: amounts falling due within one year	10	(3,013,787)		-	
Net current assets			6,866,054		6,866,054
Capital and reserves					
Called up share capital	12	344,597		344,597	
Share premium account		3,890,270		3,890,270	
Profit and loss reserves		2,631,187		2,631,187	
Total equity			6,866,054		6,866,054

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

DocuSigned by:


8E08721CDA79498
Ms S Semerciyan**Director**

Date: 23-Sep-2021 | 17:12 BST

Company Registration No. 03232899

MMODAL LIMITED**STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 DECEMBER 2020**

	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 January 2019	344,597	3,890,270	1,124,314	5,359,181
Year ended 31 December 2019:				
Profit and total comprehensive income for the year	-	-	1,506,873	1,506,873
Balance at 31 December 2019	344,597	3,890,270	2,631,187	6,866,054
Year ended 31 December 2020:				
Profit and total comprehensive income for the year	-	-	-	-
Balance at 31 December 2020	344,597	3,890,270	2,631,187	6,866,054

MMODAL LIMITED**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 DECEMBER 2020**

		2020		2019	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash absorbed by operations	16	-	-	(686,826)	
Income taxes (paid)/refunded			-	107,662	
Net cash outflow from operating activities			-	(579,164)	
Investing activities					
Purchase of tangible fixed assets		-		(34,805)	
Proceeds on disposal of tangible fixed assets		-		289,303	
Interest received		-		18,185	
Net cash (used in)/generated from investing activities			-	272,683	
Net increase/(decrease) in cash and cash equivalents			-	(306,481)	
Cash and cash equivalents at beginning of year			-	306,481	
Cash and cash equivalents at end of year			-	-	

MMODAL LIMITED

STATEMENT OF CASH FLOWS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2020**

1 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2 Accounting policies

Company information

MModal Limited is a private company limited by shares incorporated in England and Wales. The registered office is 3M Centre, Cain Road, Bracknell, RG12 8HT.

2.1 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.

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.

2.2 Going concern

The directors considers that it is appropriate to prepare the financial statements on a going concern basis as the parent company has undertaken to provide financial support for the foreseeable future, to enable the company to meet its liabilities as they fall due.

2.3 Turnover

Turnover represents amounts receivable for services provided less value added taxation or other sales related local taxation. Revenue from dictation processing services is recognised at the point the services are provided to the customer. Training fees are recognised on a straight-line basis over the initial period of the customer service agreement, and engineering fees are recognised on acceptance of the work by the customer.

2.4 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:

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.

MMODAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2 Accounting policies (Continued)

2.5 Cash at bank and in hand

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

2.6 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.

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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

MMODAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

2 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

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.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

2.7 Taxation

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

MMODAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

2 Accounting policies

(Continued)

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.

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.

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. 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.

2.8 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

2.9 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2.10 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.

2.11 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.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2020	2019
	£	£
Turnover analysed by class of business		
Provision of services	-	3,680,151
	<u> </u>	<u> </u>

MMODAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 DECEMBER 2020**3 Turnover and other revenue****(Continued)**

	2020	2019
	£	£
Other significant revenue		
Interest income	-	18,185

	2020	2019
	£	£
Turnover analysed by geographical market		
United Kingdom of Great Britain & Northern Ireland	-	1,803,461
United States of America	-	1,876,690
	-	3,680,151

4 Operating profit

	2020	2019
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	-	(371,300)
Fees payable to the company's auditor for the audit of the company's financial statements	-	2,290
Depreciation of owned tangible fixed assets	-	103,703
Operating lease charges	-	40,000

5 Employees

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

	2020	2019
	Number	Number
Management and administration	2	1
Computer engineering and operations	-	52
	2	53

MMODAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 DECEMBER 2020**5 Employees****(Continued)**

Their aggregate remuneration comprised:

	2020	2019
	£	£
Wages and salaries	-	1,349,582
Social security costs	-	256,252
Pension costs	-	87,592
	<u>-</u>	<u>1,693,426</u>

6 Interest receivable and similar income

	2020	2019
	£	£
Interest income		
Interest receivable from parent undertaking	-	18,185
	<u>-</u>	<u>18,185</u>

7 Taxation

	2020	2019
	£	£
Current tax		
UK corporation tax on profits for the current period	-	3,455
Adjustments in respect of prior periods	-	757
Total current tax	<u>-</u>	<u>4,212</u>
Deferred tax		
Origination and reversal of timing differences	-	871
Adjustment in respect of prior periods	-	19,793
Total deferred tax	<u>-</u>	<u>20,664</u>
Total tax charge	<u>-</u>	<u>24,876</u>

MMODAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 DECEMBER 2020**7 Taxation****(Continued)**

The actual charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2020 £	2019 £
(Loss)/profit before taxation	-	1,531,749
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	-	291,032
Unutilised tax losses carried forward	-	(287,554)
Adjustments in respect of prior years	-	757
Depreciation on assets not qualifying for tax allowances	-	(23)
Deferred tax adjustments in respect of prior years	-	20,664
Tax expense for the year	-	24,876

8 Financial instruments

2020 £	2019 £
-----------	-----------

9 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Amounts owed by group undertakings	9,879,841	6,866,054

10 Creditors: amounts falling due within one year

	2020 £	2019 £
Amounts owed to group undertakings	3,013,787	-

11 Retirement benefit schemes

	2020 £	2019 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	-	87,592

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

MMODAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 DECEMBER 2020**12 Share capital**

	2020	2019	2020	2019
	Number	Number	£	£
Ordinary share capital Issued and fully paid Ordinary of 2p each	17,229,868	17,229,868	344,597	344,597

13 Operating lease commitments**Lessee**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020	2019
	£	£
Within one year	-	12,612
Between two and five years	-	765
	-	13,377

14 Ultimate controlling party

At 31 December 2020 3M Company is the ultimate controlling company and is incorporated in the USA at 3M Centre, Buildings 225-SN-04 St Paul, MN 55144-1000.

15 Related party transactions

During the year the company derived income of £nil (2019 £1,876,690) from services provided to the parent company, M*Modal LLC. The company also received services from M*Modal LLC., of £nil (2019 £667).

The company received interest from the parent company, M*Modal LLC. of £nil (2019 £18,185).

The company paid no dividend to the parent company during the year (2019 nil).

The loan balance outstanding from the parent company, M*Modal LLC., at the year end was £9,899,841 (2019 £6,886,054).

Amounts due to 3M at the balance sheet date were £3,013,787.

MMODAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 DECEMBER 2020**16 Cash generated from operations**

	2020	2019
	£	£
Profit for the year after tax	-	1,506,873
Adjustments for:		
Taxation charged	-	24,876
Investment income	-	(18,185)
Depreciation and impairment of tangible fixed assets	-	103,703
Movements in working capital:		
(Increase)/decrease in debtors	(3,013,787)	25,181
Increase/(decrease) in creditors	3,013,787	(851,870)
(Decrease) in deferred income	-	(1,477,404)
Cash absorbed by operations	<u>-</u>	<u>(686,826)</u>