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# Financial Statements Discerna Limited

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**For the year ended 31 March 2015**

**Registered number: 04144764**

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**Discerna Limited**

## Company Information

<b>Director</b>	S Jones
<b>Registered number</b>	04144764
<b>Registered office</b>	Babraham Hall Babraham Cambridge CB22 3AT
<b>Independent auditors</b>	Grant Thornton UK LLP Kingfisher House 1 Gilders Way St James Place Norwich Norfolk NR3 1UB
<b>Bankers</b>	Lloyds TSB Bank Plc Third Floor Black Horse House Castle Park Cambridge CB3 0AR

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## **Director's Report**

**For the year ended 31 March 2015**

The director presents his report and the financial statements for the year ended 31 March 2015.

### **Principal activity**

The principal activity of the company is the commercialisation of ribosome display technology.

### **Results and dividends**

The profit in the year amounted to £4k (2014: £4k).

The director has not recommended the payment of a dividend (2014: None).

### **Going concern**

The director is reviewing the future of the company with the intention to transfer its investments and activities to its parent company, Babraham Institute Enterprise Limited. Babraham Institute Enterprise Limited has agreed to support the company until its future is decided. For this reason the director continues to adopt the going concern basis in preparing the financial statements.

### **Directors**

The directors who served during the year were:

S Jones (appointed 1 August 2014)

D Jones (resigned 31 July 2014)

The directors did not have a beneficial interest in the ordinary share capital of the company during the year.

## Director's Report

For the year ended 31 March 2015

### Director's responsibilities statement

The director is responsible for preparing the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

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

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

### Disclosure of information to auditors

The director at the time when this Director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the company's auditors are unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### Auditors

The auditors, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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



S Jones  
Director

Date: 18 NOVEMBER 2015

## Independent Auditors' Report to the Members of Discerna Limited

We have audited the financial statements of Discerna Limited for the year ended 31 March 2015, which comprise the Profit and loss account, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 Auditors' 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 director and auditors**

As explained more fully in the Director's responsibilities statement, the director is 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](http://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 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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 Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.



## Independent Auditors' Report to the Members of Discerna Limited

### **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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a strategic report or in preparing the Director's report.

A handwritten signature in black ink, appearing to read "Anders Rasmussen".

Anders Rasmussen (Senior statutory auditor)

for and on behalf of

Grant Thornton UK LLP

Statutory Auditors

Chartered Accountants

Norwich

Date: 2/12/2015

## Profit and Loss Account

For the year ended 31 March 2015

	Note	2015 £000	2014 £000
<b>Turnover</b>	1	<b>11</b>	11
Administrative expenses		(7)	(7)
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		<b>4</b>	4
Tax on profit on ordinary activities	3	-	-
		<hr/>	<hr/>
<b>Profit for the financial year</b>	7	<b>4</b>	4
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 7 to 10 form part of these financial statements.



## Balance Sheet

As at 31 March 2015

	Note	£000	2015 £000	£000	2014 £000
<b>Current assets</b>					
Debtors	4	14		13	
Cash at bank		70		58	
		<u>84</u>		<u>71</u>	
<b>Creditors: amounts falling due within one year</b>	5	(20)		(11)	
<b>Net current assets</b>			<u>64</u>		<u>60</u>
<b>Net assets</b>			<u>64</u>		<u>60</u>
<b>Capital and reserves</b>					
Called up share capital	6		9		9
Share premium account	7		811		811
Profit and loss account	7		(756)		(760)
<b>Shareholders' funds</b>			<u>64</u>		<u>60</u>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

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

18 NOVEMBER 2015



**S Jones**  
Director

The notes on pages 7 to 10 form part of these financial statements.

# Notes to the Financial Statements

For the year ended 31 March 2015

## 1. Accounting Policies

### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

### 1.2 Going concern

The director is reviewing the future of the company with the intention to transfer its investments and activities to its parent company, the Babraham Institute. The Babraham Institute has agreed to support the company until its future is decided. For this reason the director continues to adopt the going concern basis in preparing the financial statements.

### 1.3 Cash flow

The financial statements do not include a Cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008).

### 1.4 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Turnover represents royalties to customers at invoiced amounts net of value added tax.

### 1.5 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

# Notes to the Financial Statements

For the year ended 31 March 2015

## 1. Accounting Policies (continued)

### 1.6 Financial instruments

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument.

## 2. Profit

The profit is stated after charging:

	2015 £000	2014 £000
Auditors' remuneration	3	2

During the year, no director received any emoluments (2014 - £NIL) from this company.

## 3. Taxation

	2015 £000	2014 £000
UK corporation tax charge on profit for the year	-	-

### Factors that may affect future tax charges

The company has estimated losses of £847,978 (2014: £847,978) available for carry forward against future trading profits.

Giving the uncertainty of the recoverability of the company's tax losses carried forward, no deferred tax asset in respect of the further available losses have been recognised.

# Notes to the Financial Statements

For the year ended 31 March 2015

## 4. Debtors

	2015 £000	2014 £000
Trade debtors	12	12
Amounts owed by group undertakings	2	-
Other debtors	-	1
	<u>14</u>	<u>13</u>

## 5. Creditors:

### Amounts falling due within one year

	2015 £000	2014 £000
Amounts owed to group undertakings	11	-
Other taxation and social security	2	2
Other creditors	7	9
	<u>20</u>	<u>11</u>

## 6. Share capital

	2015 £	2014 £
<b>Authorised, allotted, called up and fully paid</b>		
45,000 A preferred ordinary shares of 10p each	4,500	4,500
45,000 B ordinary shares of 10p each	4,500	4,500
	<u>9,000</u>	<u>9,000</u>

Each of the A preferred ordinary shares and the B ordinary shares disclosed above constitute different classes of shares, but these rank equally.

On a return of capital, liquidation, or capital reduction the remaining assets of the company after payment of its liabilities shall be applied as follows:

- first in paying to the holders of the A preferred ordinary shares a sum equal to the amount paid up on each share, including any share premium;
- second in paying to the holders of the B ordinary shares a sum equal to the amount paid up on each share, including any share premium;
- the balance shall be distributed amongst all shareholders in proportion to the number of shares held by them.

# Notes to the Financial Statements

For the year ended 31 March 2015

## 7. Reserves

	Share premium account £000	Profit and loss account £000
At 1 April 2014	811	(760)
Profit for the financial year	-	4
At 31 March 2015	<u>811</u>	<u>(756)</u>

## 8. Related party transactions

During the year ended 31 March 2015 there were no transactions with The Babraham Institute, Babraham Institute Enterprise Limited, Aitua Limited or Babraham Bioscience Technologies. Each of these companies are related parties by virtue of being part of the Babraham Group, of which The Babraham Institute is the parent undertaking.

As at 31 March 2015, £3k was owed to The Babraham Institute (2014: £Nil), and £8k was owed to Babraham Institute Enterprise Limited (2014: £3k). The company was also owed £2k by The Babraham Institute Enterprise Limited (2014: £1k).

## 9. Controlling party

The Babraham Institute is the ultimate controlling party, a company incorporated in England. Copies of The Babraham Institute's financial statements can be obtained from the Registrar of Companies, Companies House, Cardiff, CF14 3UZ.

**Discerna Limited**

## Detailed Trading and Profit and Loss Account

For the year ended 31 March 2015

	2015 £000	2014 £000
<b>Turnover</b>	<b>11</b>	<b>11</b>
<b>Less: Overheads</b>		
Administration expenses	(7)	(7)
	<hr/>	<hr/>
<b>Profit for the year</b>	<b>4</b>	<b>4</b>
	<hr/> <hr/>	<hr/> <hr/>